



Northern Ireland
Assembly

Research and Information Service Research Paper

Eleanor Murphy & NI Assembly Research Team

Fuel Poverty

NIAR 411-11

This paper was commissioned on behalf of the Committee for Social Development to assist the Committee in evaluating what role it should play in a campaign to eradicate fuel poverty. The paper provides a brief profile of fuel poverty in Northern Ireland; it looks at the interventions by statutory committees in other jurisdictions in addressing fuel poverty; and explores some of the innovative area-based initiatives deployed by local councils and the voluntary, community and private sectors. The paper concludes by providing a brief overview of departmental action and cross-departmental co-operation in tackling fuel poverty and examines the issue of energy brokering and the potential role of the government estate.

Paper100/11

05 September 2011

Introduction and Summary

The Northern Ireland Assembly Research and Information Service (RaISe) has been asked to look at a number of issues in order to assist the Committee for Social Development in evaluating what role it should play in leading a campaign to eradicate fuel poverty:

- Initiatives to tackle fuel poverty by equivalent Parliamentary/Assembly committees in England, Scotland, Wales and the Republic of Ireland.
- Evidence of successful interventions by the Community and Voluntary Sector in England, Scotland, Wales and the Republic of Ireland particularly in relation to developing energy brokering schemes.
- The statutory role of DSD, ETI, DFP and OFMDFM in respect of fuel poverty.
- What actions these Departments can take to address the high cost and dependence on oil in Northern Ireland.
- What actions these Departments can take to assist in the development of an energy brokerage scheme in Northern Ireland.
- Evidence of successful department/interdepartmental working to address fuel poverty in England, Scotland, Wales and the Republic of Ireland.

For ease of reference this paper is divided into seven sections which examine (1) how fuel poverty is defined (2) key statistics on fuel poverty in Northern Ireland (3) tackling fuel poverty: interventions by statutory committees in other jurisdictions (4) localised solutions to fuel poverty: promoting the role of local councils/councillors (5) localised solutions: voluntary, community and private sector initiatives (6) departmental action and cross-departmental co-operation (7) energy brokering and the role of the government estate.

Key Points

What is fuel poverty?

- In broad terms the same definition of fuel poverty has been adopted by both the UK Government and the devolved administrations. Put simply, households are said to be in fuel poverty if, in order to maintain an acceptable level of temperature throughout the home, the household needs to spend more than 10% of its income on all household fuel costs.
- Fuel poverty is said to be caused by a combination of three inter-related factors (a) low household income (b) high fuel costs (c) energy efficiency.
- There have been a number of reservations relating to the potential limitations of the definition of fuel poverty. A number of reviews of the definition are currently being carried out – i.e. in Northern Ireland the findings of research into the definition of fuel

poverty are imminent; the Hills Fuel Poverty Review (the review was announced as part of the October 2010 UK Spending Review); a review of the definition by the Scottish Fuel Poverty Forum.

- The consultation paper on the NI Fuel Poverty strategy proposed exploring the potential of a 'severity index' for fuel poverty with households spending more than 15% of income on household fuel defined as being in severe fuel poverty, and those spending 20% defined as being in extreme fuel poverty.

Fuel poverty: some key facts and figures

- 44% of households (302,300 households) in Northern Ireland are in fuel poverty, a rise from 34% in 2006. Lower incomes in Northern Ireland, increasing fuel prices and Northern Ireland's reliance on home heating oil are believed to be the biggest contributing factors. Approximately 70% of households in Northern Ireland are reliant upon oil for heating their homes.
- The number of fuel poor households in the UK is estimated to be approximately 5.5m (21% of all households). Northern Ireland has the highest proportion of its households in fuel poverty (44%) followed by Scotland (33%), Wales (26%) and England (21%).
- Fuel poverty is closely correlated to a number of factors including housing tenure, the age of the household dwelling, age of the householder, employment status and rurality. For example, around 76% of households in Northern Ireland headed by an older person (aged 75+) were in fuel poverty; 83% of lone older households were fuel poor.
- 45.8% of households in rural areas are in fuel poverty (51.1% in isolated rural areas) in comparison to 42.8% in urban areas. The highest rate of fuel poverty is in West Belfast (53.7%) followed by Newry and Down (49.1%). Lowest levels are in Lisburn and Castlereagh (38.2%) and South Belfast (38.4%). Although it should be noted that there are pockets of deprivation within these areas that may have significant levels of fuel poverty.
- Northern Ireland has the highest weekly expenditure on energy than any other country in the UK (£25.70 per week in NI, £18.70 in England, £20 in Scotland, £20.40 in Wales).

Tackling fuel poverty: interventions by statutory committees in other jurisdictions

- This section looks at some recent interventions by statutory committees in other jurisdictions aimed at tackling the issue of fuel poverty. The approach of statutory committees to address fuel poverty has tended to be via the medium of committee inquiries. There is little explicit evidence of joint committee co-operation or inter-committee working on the issue of fuel poverty.

- There have been two recent inquiries on fuel poverty related issues in Westminster – recurrent themes in both reports recommended Government produce a roadmap or national action plan for fuel poverty, outlining key milestones, setting out clear Departmental responsibilities and the resources available. Other issues looked at include the appropriateness of the Winter Fuel Payment, social tariffs, benefit take-up maximisation, decent homes, fuel poverty in the private rented sector and regulation of the energy industry.
- Arguably a more collegiate approach to fuel poverty has been facilitated by All Party Groups/Cross Party Groups in the various Parliaments/Assemblies. These groups bring together a cross section of politicians with various interest/lobby groups, academics and industry representatives. Although they do not have the same status, resources or powers as the statutory committee system.
- This section also looks briefly at the London Assembly Inquiry into fuel poverty in which some interesting examples of tools to tackle fuel poverty have emerged, e.g. the use of area thermal imaging to identify houses with poor energy efficiency; the use of an IT tool for GPs to refer vulnerable patients at risk of fuel poverty to statutory and voluntary agencies; using the trusted reputation of the fire brigade and its officers to gain access to homes (e.g. particularly vulnerable groups) not only to talk about fire safety but also to provide advice on energy efficiency and the importance of keeping the home warm; and to refer households to other services e.g. benefit take-up.

Localised solutions: promoting the role of local councils and local councillors

- The recently enacted Housing (Amendment)(Northern Ireland) Act 2011 provides district councils with new powers to promote energy efficiency in residential accommodation. This could provide councils with a mechanism to take a more proactive approach to fuel poverty and energy efficiency. Although many councils within Northern Ireland are already involved in good practice e.g. saving stamp initiatives for home heating oil.
- This section looks at evidence of good practice and innovative schemes adopted by Local Authorities in Great Britain and demonstrates clearly that local partnership working is the most efficient and effective way to tackle fuel poverty.
- Examples of interesting local authority driven initiatives include – the use of GPs, primary care trusts, social services and third sector organisations to target resources at the most vulnerable; councils working in co-operation with energy providers to provide discounts and grants for energy efficiency measures; initiatives aimed at tackling fuel poverty in the private rented sector including specific initiatives aimed at older people living in the private rented sector; area-wide insulation programmes with fast tracking for vulnerable households; area-based use of thermal imaging to identify cold homes; the current and future use of Energy Performance Certificate data to identify homes with low levels of energy efficiency.

Localised solutions: voluntary, community and private sector initiatives

- **Housing associations** and other social housing providers have an important role to play in tackling fuel poverty. Whilst housing associations in Northern Ireland already make a significant contribution, housing associations in other jurisdictions arguably have a much wider remit and freedom to address the causes and impact of poverty which go beyond their role in social housing management (e.g. stimulating local employment via social enterprises, offering financial inclusion and debt management advice services). This section briefly explores the potential for Housing Associations in Northern Ireland to become involved in energy brokering and looks at some examples of schemes in Great Britain and the Netherlands.
- It is suggested that the **private rented sector** is one of the most difficult housing tenures to incentivise in relation to the installation of energy efficiency measures. This section looks at a number of measures being implemented in other jurisdictions aimed at promoting energy efficiency and tackling fuel poverty in the private rented sector – introducing a minimum energy efficiency standard for privately rented homes, linking landlord accreditation to achieving certain energy performance levels; promoting and increasing the Landlord Energy Efficiency Savings Allowance; provision of tailored loans for landlords to enable them to carry out repairs and other energy efficiency measures.
- Many households in fuel poverty struggle to budget for significant household expenditure such as fuel bills. This section looks at the importance of accessing financial advice and affordable credit and the important role that **credit unions and third sector organisations** can have in relation to this. It looks at examples in other jurisdictions in which credit unions have worked in co-operation with local councils and energy companies to provide financial advice and budgeting services. Relevant to this are the recommendations of the NI Assembly Committee for Enterprise, Trade and Investment Inquiry into the potential role of credit unions in Northern Ireland. The Committee maintained that credit unions here must be permitted to expand their range of services to those currently on offer in GB.
- This section concludes by briefly exploring the role of the **voluntary and community sector in energy brokering**. It provides some illustrative examples of energy brokering initiatives in other jurisdictions such as village/area-based home heating oil syndicates whereby a number of households in an area come together to bulk purchase home heating oil; the Citizen's Energy Oil Heating Programme which bulk purchases fuel and distributes it at a discounted price to older people and those on low incomes who do not qualify for other government assistance; and a not-for-profit energy supplier which acts as an intermediary between consumers and suppliers.

Tackling fuel poverty: Departmental action and cross-departmental co-operation

- There is one explicit objective in the current Programme for Government relating to fuel poverty (PSA 7, Objective 4). However, there are other objectives which are relevant to addressing fuel poverty, i.e. reducing poverty and disadvantage; increasing employment levels and economic inactivity; promoting decent, energy efficient homes, and the opening up of energy markets to external competition.
- The new fuel poverty strategy for Northern Ireland, *Warmer Healthier Homes*, places a significant emphasis on a partnership approach to tackling fuel poverty because of its cross-departmental nature. Action 17 of the strategy is to develop and consolidate effective working arrangements across the statutory, voluntary and private sectors to increase the commitment of all partners to joint working.
- This section provides a brief outline of the pivotal role that other Departments, aside from DSD, play in addressing fuel poverty (e.g. OFMDFM, DARD, DETI, DFP) and looks at some examples of cross-departmental co-operation and initiatives in other jurisdictions.
- A recent House of Commons select committee report on fuel poverty, and indeed a number of groups and organisations, argue that to encourage cross-Departmental, cross-sectoral approach to fuel poverty there is a need to develop a 'road map' which provides clarity on a number of issues including what actions are required, how they interact together, who owns each action, the setting of milestones and contingency plans to deal with issues such as fluctuating energy prices.

Energy brokering: harnessing the purchasing power of the Government Estate?

- The recent energy brokering feasibility study report 'People Power' (compiled by the Housing Executive, Consumer Council for Northern Ireland, Bryson Housing Charitable Group) recommended that local and central government procurement bodies could use their energy purchasing power as a 'base load' to leverage in a better deal for domestic energy consumers under one contractual tariff arrangement.
- This section explores the 'Met de Stroom Mee' initiative in the Netherlands and asks whether public bodies could follow this model. Met de Stroom Mee is a private company which uses advertising and the medium of the internet to gather together large numbers of people looking for cheaper energy prices. It then uses the large numbers of people signed up as a bargaining tool in negotiating prices with energy companies. It then selects a supplier and householders can decide if they wish to sign up to the deal.
- There is clearly a need for further in-depth analysis to evaluate the feasibility of government's involvement bulk purchasing models particularly within the context of public procurement rules.

The Committee may wish to.....

Defining fuel poverty and targeting resources

1. Consider requesting an update from the Department for Social Development on the review of the definition of fuel poverty.
2. Keep a monitoring brief on developments in other jurisdictions (e.g. the Hills Fuel Poverty Review).

Localised solutions: promoting the role of local councils and councillors

3. Consider the merit of conducting an audit of energy efficiency and fuel poverty measures adopted by local councils in Northern Ireland. Identify areas of good practice (locally, nationally and internationally) and consider how or if these could be disseminated wider.
4. Identify what additional powers and resources councils feel are necessary to promote energy efficiency (e.g. more powers and resources to address energy efficiency within the private rented sector).
5. Explore mechanisms aimed at improving the interaction between Councils, Government Departments and agencies, the Assembly, energy companies, the voluntary and community sector and the general public in relation to energy efficiency and fuel poverty.
6. Explore whether any of the innovative initiatives deployed by Local Authorities in other jurisdictions could be adapted for Northern Ireland within the context of current budgetary constraints.

Localised solutions: voluntary, community and private sector initiatives

7. Consider the current role of Housing Associations in tackling fuel poverty and assess whether they require additional powers/tools to enable them to play a much wider role.
8. Explore whether any of the initiatives deployed by Housing Associations in other jurisdictions (e.g. in relation to energy brokering) could be adapted for Northern Ireland.
9. Explore the advantages and economic feasibility of community heating schemes and the bulk purchase of fuels.
10. Request that the Department for Social Development provides an update on the progress of the Strategy for the Private Rented Sector in relation to raising the fitness standard for the Private Rented Sector.
11. Consult with private landlords and their representative organisations on the role they currently play in addressing fuel poverty and what additional resources or mechanisms they perceive would be required to play an enhanced role.

12. Consider the role of the landlord registration and tenancy deposit schemes in disseminating advice and resources on fuel poverty/energy efficiency/benefit up-take to landlords and tenants.
13. Explore further innovative initiatives deployed in other jurisdictions to tackle fuel poverty in the Private Rented Sector and whether these could be adapted for Northern Ireland.
14. Consider how to increase opportunities and create a more co-ordinated approach for people in Northern Ireland to gain skills and make informed decisions on budgeting, borrowing and financial products taking into consideration examples of good practice.
15. Consider the current capacity of credit unions and the voluntary and community sector within Northern Ireland in promoting financial inclusion and identify what additional support may be needed.
16. Explore the development of home heating oil syndicates in Northern Ireland including the potential role for community and voluntary organisations and assessing the infrastructural support necessary to assist in the development of such syndicates.
17. Explore the potential of harnessing the expertise of the third sector in establishing a Citizens Energy Oil Heating Programme for vulnerable households (including vulnerable households not currently entitled to public assistance). Explore the capacity for businesses, individual donors, and energy companies to become involved in financing such a programme.
18. Explore the feasibility of establishing a not-for-profit energy supplier or intermediary in Northern Ireland and assessing whether there are currently enough energy providers in Northern Ireland to facilitate this.

Tackling fuel poverty: departmental action and cross-departmental co-operation

19. Consider the concept of a 'road map' for addressing fuel poverty in further detail, e.g. in terms of feasibility, its advantages/disadvantages, the complexity of the task, ownership etc.

Energy brokering: harnessing the purchasing power of the Government estate

20. Consider the need for more in-depth analysis to evaluate the feasibility of government bulk purchasing models.

Contents

WHAT IS FUEL POVERTY? 11

What is fuel poverty? 11

Is the current definition adequate?..... 11

FUEL POVERTY: SOME KEY FACTS AND FIGURES 14

Fuel Poverty in Northern Ireland 15

Fuel Poverty by Housing Tenure 15

Fuel Poverty by Location 16

Fuel Poverty in Rural Areas..... 17

Household Expenditure on Energy 17

TACKLING FUEL POVERTY: INTERVENTIONS BY STATUTORY COMMITTEES IN OTHER JURISDICTIONS 18

Westminster Committee Inquiries 18

London Assembly Committee Investigation into Fuel Poverty..... 22

All Parliamentary Group Co-operation 23

LOCALISED SOLUTIONS: PROMOTING THE ROLE OF LOCAL COUNCILS AND COUNCILLORS 26

LOCALISED SOLUTIONS: VOLUNTARY, COMMUNITY AND PRIVATE SECTOR INITIATIVES 29

The Role of Housing Associations and other Social Housing Providers 29

Fuel Poverty in the Private Rented Sector – Co-operation between Statutory Agencies and Landlords 31

Affordable Credit and Fuel Poverty: The Role of Credit Unions and Community Finance Initiatives 33

Energy Brokering – what role for the Voluntary and Community Sector? 35

TACKLING FUEL POVERTY: DEPARTMENTAL ACTION AND CROSS-DEPARTMENTAL CO-OPERATION38

Fuel Poverty, the Programme for Government and Cross-Departmental Co-operation.....38

Cross-Departmental Co-operation: A Road Map for Fuel Poverty?.....39

ENERGY BROKERING AND THE GOVERNMENT ESTATE.....51

1 WHAT IS FUEL POVERTY?

What is fuel poverty?

In broad terms the same definition of fuel poverty has been adopted by both the UK Government and the devolved administrations in Northern Ireland, Scotland and Wales. A household is determined to be in fuel poverty if, in order to maintain an acceptable level of temperature throughout the home, the household needs to spend more than 10% of its income on all household fuel costs. The adequate standard of warmth is usually defined as 21 degrees for the main living area and 18 degrees for other occupied rooms. Fuel costs not only include heating the home but also household spending on heating water, lights and appliance usage and cooking costs. The fuel poverty ratio is set out below, if the ratio is greater than 0.1 then the household is defined as being in fuel poverty¹.

$$\text{Fuel Poverty Ratio} = \frac{\text{Required fuel costs (i.e. required usage x price)}}{\text{Income}}$$

Fuel poverty is said to be caused by a combination of three different factors²:

- **Low Household Income:** where the costs of heating a home form a greater proportion of total income for those on low incomes.
- **Fuel Costs:** higher fuel prices reduce the affordability of fuel. The prices of different types of fuel can vary considerably, as can the availability of certain types of fuels and heating systems in different areas therefore impacting on the ability of consumers to exercise customer choice.
- **Energy Efficiency:** the thermal quality of the home and the efficiency of the heating system determine the amount of energy that must be purchased to adequately heat a home.

Does the current definition of fuel poverty adequately reflect the extent of fuel poverty in NI?

A number of reservations have been expressed about the potential limitations of the definition of fuel poverty particularly in relation to its application in Northern Ireland. This point has been highlighted in the new Fuel Poverty Strategy for Northern Ireland

¹ Department of Energy and Climate Change (2011) Annual Report on Fuel Poverty Statistics 2011, p3.

www.decc.gov.uk/assets/decc/Statistics/fuelpoverty/2181-annual-report-fuel-poverty-stats-2011.pdf

² Information extracted from Scottish Government website, www.scotland.gov.uk/Topics/Built-Environment/Housing/access/FP

'[Warmer Healthier Homes](#)' published in March 2011³ which gave a commitment to review the definition of fuel poverty. This is a timely development given that that reviews of the definition are also being conducted in other jurisdictions:

- England** Announcement in October 2010 UK Spending Review, that an independent review of targets and definition of fuel poverty (as it applies to England) was to be commissioned. In March 2011, it was announced that Professor John Hills would undertake the review (known as the '[Hills Fuel Poverty Review](#)'⁴). The review will focus, amongst other issues on:
- Whether the current definition of fuel poverty allows the issues at its core to be tackled effectively and, if not, how the definition and any associated target might be amended to address this.
 - Whether, and to what extent, the current definition of fuel poverty allows Government to focus resources and policies on those who most need support.
 - How, under any definition, the fuel poor can best be identified and help targeted.
- Scotland** The [Scottish Fuel Poverty Forum](#) (set up by the Scottish Government consisting of representative organisations with an interest in fuel poverty) announced their intention to look further at the definition of fuel poverty with a priority in finding effective ways of assisting those in greatest need⁵.
- NI** DSD have commissioned a review of the definition of fuel poverty and the findings of the report are awaited.

What are some of the perceived problems with the current definition?

A number of issues with the current definition have been identified, e.g.:

- The broad definition used to measure fuel poverty in Northern Ireland does not adequately reflect the experience of householders who struggle to pay their heating bills and who have to make lifestyle choices about how much to spend on heating their homes (*Warmer Healthier Homes: A New Fuel Poverty Strategy for Northern Ireland, 2011*).

³ Department for Social Development (2011) *Warmer Healthier Homes: A New Fuel Poverty Strategy for Northern Ireland*. www.dsdni.gov.uk/warmer-healthier-homes.pdf

⁴ Hills Fuel Poverty Review, for terms of reference see www.decc.gov.uk/en/content/cms/funding/fuel_poverty/hills_review/hills_review.aspx

⁵ Scottish Fuel Poverty Forum. Annual Report 2009/10. www.scotland.gov.uk/Resource/Doc/1035/0113211.pdf

- The definition fails to differentiate between those who are only marginally fuel poor and those that are really struggling. A further failure of the definition is that it does not consider the impact on the wellbeing of those living in households deemed to be fuel poor (*NI Utility Regulator's Social Action Plan 2009-2014 consultation paper*).
- The nature of the fuel poverty definition means that the level of income compensation required to keep the fuel cost/income ratio of a household steady is 10 times greater than the fuel cost increase itself. This implies that, to hold the numbers in fuel poverty static, governments would have to find resources that are 10 times greater than the value of the fuel price rise every time fuel prices rise assuming that energy efficiency levels do not change (*Scottish Government Fuel Poverty Review, 2008*).
- The Government's preferred definition of household income includes Housing Benefit and Support for Mortgage Interest. A significant increase in household rent may lead to an increase in Housing Benefit. This in turn may be interpreted as higher household income despite the fact that the disposable income of the household has not increased by a single penny. The definition of household income in which 'phantom resources' are imputed may have the effect of underestimating the actual number of households in fuel poverty (*National Energy Action, Memorandum to the Work and Pensions Committee, 2009*).

The consultation paper for the new Northern Ireland Fuel Poverty Strategy proposed exploring the potential of introducing a '**severity index**' for fuel poverty, i.e.:

- Households which spend more than 10% of income (including housing benefit) on all household fuel use to maintain a satisfactory heating regime would be defined as being in **fuel poverty**.
- Households which spend more than 15% of income (including housing benefit) on all household fuel use to maintain a satisfactory heating regime would be defined as being in **severe fuel poverty**.
- Household which spend more than 20% of income (including housing benefit) on all household fuel use to maintain a satisfactory heating regime would be defined as being in **extreme fuel poverty**⁶.

However, some organisations such as the Consumer Council for NI are concerned that a severity index could develop into a statistical exercise which would not lift households out of fuel poverty⁷.

⁶ Department for Social Development (2010) A consultation paper on a New Fuel Poverty Strategy for Northern Ireland, p23. www.dsdni.gov.uk/consultation-warmer-healthier-homes.pdf

⁷ Consumer Council for Northern Ireland. Response to the consultation paper on a new Fuel Poverty Strategy for Northern Ireland.

The Committee may wish request an update from the Department for Social Development on progress in relation to the committee in the new NI Fuel Poverty Strategy to review the definition of fuel poverty. The Committee may also wish to consider developments in other jurisdictions (e.g. the Hills Fuel Poverty Review in England) particularly with regard to recommendations on amending the definition of fuel poverty to target resources more effectively.

2 FUEL POVERTY: SOME KEY FACTS AND FIGURES

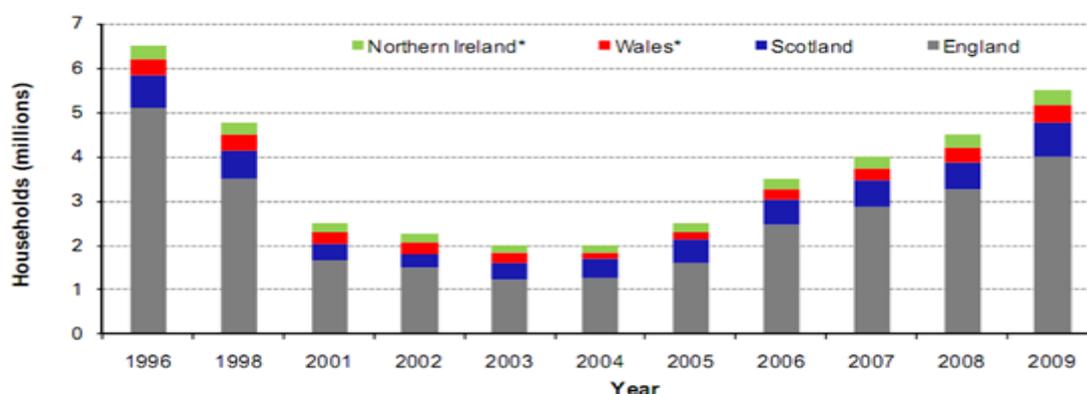
In 2009, the number of fuel poor households in the UK was estimated at around 5.5m, representing approximately 21% of all households in the UK, a rise of around 1m households since 2008. Based on 2009 figures, around 4.5m ‘vulnerable’ households in the UK were fuel poor, an increase from 3.73m in 2008. A vulnerable household is one that contains older people, children, or people with long term illnesses or disabilities⁸.

As evident from the chart and table below, Northern Ireland has the greatest proportion of its population in fuel poverty in the UK, followed by Scotland, Wales and England. Lower average household incomes and a high percentage of off-gas grid households (who therefore have to use more expensive fuels e.g. oil) is said to account for the higher level of fuel poverty in Northern Ireland.

Table 1: Proportion of fuel poor households by nation

Country	% of households that are fuel poor	Year of estimate
Northern Ireland	43.7%	2008
Scotland	32.7%	2009
Wales	26.2%	2008
England	18.4%	2009
UK	21.0%	2009

Chart 1: Fuel poverty in each country of the UK, 1996 to 2009



*Figures for Northern Ireland and Wales estimated in some years

⁸ The statistics and charts in this section have been extracted from the Department of Energy and Climate Change (2011) Annual Report on Fuel Poverty Statistics 2011. www.decc.gov.uk/assets/decc/Statistics/fuelpoverty/2181-annual-report-fuel-poverty-stats-2011.pdf

Fuel Poverty in Northern Ireland

The rate of fuel poverty in Northern Ireland is now 44% (302,300 households), a rise from 34% (225,600 households) in 2006. The rise is largely a result of significant increases in the price of fuel and is particularly exacerbated by Northern Ireland's reliance upon home heating oil. As the table below demonstrates 68.8% of households in Northern Ireland are reliant upon oil for heating their homes. Low income is another significant factor influencing fuel poverty. In 2009, 86% of households with an annual income of less than £7,000 were in fuel poverty and 81% of all households in fuel poverty had incomes of £14,999 per annum or less⁹.

Table 2: Northern Ireland Housing Stock by Heating Type 1996-2009¹⁰

Heating Type	1996		2006		2009	
	No.	%	No.	%	No.	%
Gas	0	0	83,990	11.9	113,640	15.4
Oil	215,100	35.7	495,560	70.3	504,530	68.2
Solid Fuel	183,060	30.4	32,900	4.7	32,830	4.4
Electric	52,770	8.8	36,910	5.2	30,110	4.1
Dual	56,020	9.3	38,540	5.5	46,000	6.2
Other	16,380	2.7	4,320	0.6	5,430	0.7
Non Central	79,170	13.1	12,780	1.8	7,460	1.0
Total	602,500	100	705,000	100	740,000	100

The 2009 [Northern Ireland House Conditions Survey Report](#), published by the Housing Executive in May 2011, maintains that fuel poverty is also correlated to a number of other factors including the age of dwelling, rurality, age of the householder and employment status, for example:

- Almost two-thirds (63%) of households living in older dwellings (pre-1919) were in fuel poverty.
- 51% of households living in isolated rural areas were in fuel poverty.
- Three quarters (76%) of households headed by an older person (age 75 plus) were in fuel poverty.
- More than four-fifths (83%) of lone older householders were fuel poor.
- Fuel poverty was higher in households in which the household reference person (HRP) was unemployed (65%) or retired (65%).

Fuel Poverty by Housing Tenure

The tenure with the highest proportion in fuel poverty in 2009 was Northern Ireland Housing Executive properties (57% of households in fuel poverty). This was followed

⁹ Northern Ireland Housing Executive (2011) Northern Ireland House Conditions Survey 2009, p9.

www.nihe.gov.uk/northern_ireland_house_conditions_survey_2009_-_main_report.pdf

¹⁰ Table extracted from Northern Ireland Housing Executive. Home Energy Conservation Report 2010, p8.

by the private rented sector (55% of households in fuel poverty). The tenure with the greatest number of households in fuel poverty was the owner-occupied sector (178,000 households in fuel poverty). The 2009 House Conditions Survey report maintains that despite the number of new and more efficient heating systems installed in Housing Executive properties, the combination of fuel price increases and the number of households in low incomes have reduced the impact of energy efficiency improvements.

Table 3: Homes in Fuel Poverty by Tenure, 2001-2009¹¹

	2001		2006		2009	
	No.	%	No.	%	No.	%
Owner-Occupied	97,900	22.8	148,000	31.8	178,000	38.9
Private Rented	21,400	44.0	35,300	44.1	67,800	54.9
Housing Executive	46,100	40.1	37,800	40.8	56,500	51.4
Housing Association	1,700	9.9	4,500	21.1		

Fuel Poverty by Location

The highest rate of fuel poverty when broken down into new council area is West Belfast (53.7%); followed by Newry and Down (49.1%). The lowest rates are found in Lisburn and Castlereagh (38.2%) and South Belfast (38.4%) although it should be noted that there are pockets of deprivation within these areas with significant levels of fuel poverty.

Table 4: Fuel Poverty by Proposed Council Area¹²

	Not in Fuel Poverty		In Fuel Poverty	
	No.	%	No.	%
East Belfast	17,990	54.8	14,840	45.2
South Belfast	19,290	61.6	12,010	38.4
West Belfast	10,600	46.3	12,300	53.7
North Belfast	19,700	53.6	17,050	46.4
Total Belfast	67,580	54.6	56,200	45.4
Derry City and Strabane	30,520	56.9	23,080	43.1
Armagh City and Bann	38,730	53.7	33,390	46.3
Lisburn and Castlereagh	44,760	61.8	27,680	38.2
Newry and Down	29,430	50.9	28,380	49.1
Antrim and Newtownabbey	30,610	57.6	22,550	42.4
Ards and North Down	37,090	56.4	28,660	43.6
Causeway Coast	32,470	56.2	25,280	43.8
Fermanagh and Omagh	22,000	57.2	16,450	42.8

¹¹ Information extracted from Northern Ireland Housing Executive (2011) Northern Ireland House Conditions Survey 2009, p55.

¹² Assembly Question for Written Answer, 2348/11. The 2009 House Conditions Survey was predicted on the assumption that the Review of Public Administration would have resulted in the creation of new council areas.

Mid Antrim	30,460	56.8	23,210	43.2
Mid Ulster	25,500	59.4	17,430	40.6
Total	389,150	56.3	302,310	43.7

Fuel Poverty in Rural Areas

The percentage of households in fuel poverty in rural areas is 45.8% (and 51.1% in isolated rural areas) in comparison to 42.8% in urban areas. However, the number of households in fuel poverty is greater in urban areas (206,670 households in fuel poverty) than in rural areas (95,640 households in fuel poverty).

Table 5: Fuel Poverty by Dwelling Location¹³

	Not in Fuel Poverty		In Fuel Poverty		Total	
	No.	%	No.	%	No.	%
Belfast Metropolitan Area (BMA)	153,020	59.3	105,050	40.7	258,070	100.0
District Town/Other Town	122,820	54.7	101,620	45.3	224,440	100.0
Total Urban	275,840	57.2	206,670	42.8	482,510	100.0
Small Rural Settlement	63,170	59.3	43,280	40.7	106,450	100.0
Isolated Rural	50,140	48.9	52,360	51.1	102,500	100.0
Total Rural	113,310	54.2	95,640	45.8	208,950	100.0
Total	389,150	56.3	302,310	43.7	691,460	100.0

Household Expenditure on Energy

According to the latest Family Spending Survey (2009 figures) Northern Ireland has the highest weekly expenditure on energy than any other country in the UK (i.e. £25.70 per week in Northern Ireland in comparison to £18.70 in England, £20.00 in Scotland and £20.40 in Wales).

Table 6: Weekly household expenditure on energy by country, 2009¹⁴

	England	Wales	Scotland	Northern Ireland	United Kingdom
Electricity, gas and other fuels	£18.70	£20.40	£20.00	£25.70	£19.10
Electricity	£9.10	£9.70	£9.80	£10.10	£9.20
Gas	£8.70	£8.10	£8.70	£1.90	£8.50
Other fuels	£0.90	£2.50	£1.40	£13.80	£1.40

¹³ Northern Ireland Housing Executive. 2009 Housing Conditions Survey Preliminary Findings.

¹⁴ Office for National Statistics (2010) Family Spending: A Report on the 2009 Living Costs and Food Survey. www.statistics.gov.uk/downloads/theme_social/familyspending2010.pdf

2 TACKLING FUEL POVERTY: INTERVENTIONS BY STATUTORY COMMITTEES IN OTHER JURISDICTIONS

This section looks at some recent interventions by statutory committees in other jurisdictions aimed at tackling the issues of fuel poverty and energy efficiency. What is evident is that there appears to be little evidence of joint committee working or joint committee structures (i.e. joint inquiries, joint evidence sessions etc.) on the issue of fuel poverty. The approach of statutory committees to address fuel poverty has primarily been via the medium of a stand-alone committee inquiry and the publication of a report. There have been a number of relatively recent Committee inquiries both at Westminster and the London Assembly which have made a number of interesting recommendations. These are outlined briefly in this section as it may be useful for the Committee for Social Development to identify some of the issues it is interested in and avoid any unnecessary duplication.

Arguably a more collegiate approach to fuel poverty has been facilitated by 'All Party Group' or 'Cross Party Group' structures in the various Parliaments/Assemblies. There are a number of All Party Groups in Westminster which have taken an interest in fuel poverty and a Cross Party Group on Fuel Poverty in the Welsh Assembly. One of the advantages of this type of group structure is that it brings together politicians from a cross range of political parties, various interest/lobby groups, academics and industry representatives. As outlined further in this section, two All Party Groups at Westminster have even worked jointly on an inquiry into issues relevant to fuel poverty. It should, however, be noted that the investigatory powers of All Party Groups is somewhat limited and they do not have the same status nor resources as statutory committees. The views of All Party Groups in the Northern Ireland Assembly, for example, are not recognised by the Assembly in the way that business conducted through Committees or through plenary is recognised¹⁵.

In considering this section of the paper the Committee for Social Development may wish to reflect upon which structure and approach it considers would be most effective for Committees in relation to leading a campaign to tackle fuel poverty in Northern Ireland.

Westminster Committee Inquiries

There have been two recent inquiries into fuel poverty conducted by Committees in the House of Commons, one by the Environment, Food and Rural Affairs Committee (May 2009) and the other by the Energy and Climate Change Committee (March 2010). A synopsis of the recommendations and conclusions of the inquiry reports are provided below. Recurrent key themes in both reports include the need for Government to produce a detailed 'road map' or national action plan for tackling fuel poverty, outlining

¹⁵ Further information on All Party Groups in the Northern Ireland Assembly is available at www.niassembly.gov.uk/io/APG_Rules.pdf

key milestones, setting out clear Departmental responsibilities and the resources available. Other issues covered include the current eligibility criteria for Winter Fuel and Cold Weather payments and whether energy companies could do more to help those in fuel poverty.

There doesn't appear to be any recent evidence within the formal Westminster Committee structures of explicit cross-Committee co-operation on the issue of fuel poverty (i.e. the creation of an ad hoc or special committee consisting of Members from different relevant Committees). However, there is a degree of co-operation evident within Westminster All-Party Group structures. All-Party Groups (APGs) are informal cross-party groups that have no official status within Parliament. They are essentially run by and for Members of the Commons and Lords, although many groups involve individuals and organisations from outside Parliament in their administration and activities¹⁶. As set out in further detail in this section of the paper, the All Party Parliamentary Fuel Poverty and Energy Efficiency Group worked in co-operation with the All Party Parliamentary Renewable Energy Group on an inquiry into low carbon transition. It explored in some detail the definition of fuel poverty and the effectiveness of existing interventions.

House of Commons Environment, Food and Rural Affairs Committee Inquiry into Energy Efficiency and Fuel Poverty ([report](#) published May 2009¹⁷)

This inquiry focused upon the effectiveness of the policies and programmes initiated by both Government and the energy supply industry aimed at improving domestic energy efficiency and alleviating fuel poverty. It looked at the effectiveness of targeting assistance; pre-payment metres and social tariffs; the effectiveness of income measures such as the Winter Fuel and Cold Weather Payment; Energy Efficiency Programmes (e.g. Warm Front Scheme, Decent Homes Standard, Carbon Emissions Reduction Programme); 'Hard to Treat' properties; energy efficiency and new homes; the scale of funding required to address fuel poverty and the transparency of funding sources; and the need for an area based national action plan.

The Committee made 48 conclusions/recommendations, in summary:

- **A National Action Plan:** the Committee called for a “comprehensive national approach delivered at community level”, i.e. an area-based approach to energy efficiency, focusing first on the areas of most need. It felt that local authorities were well placed to lead on energy efficiency and fuel poverty programmes. The Committee maintained that Government needed a “Road Map” showing:
 - How it intended to meet its fuel poverty targets.
 - A costed action plan and a timetable for planned phasing of expenditure and identification of key funding sources.

¹⁶ www.parliament.uk/about/mps-and-lords/members/apg/

¹⁷ House of Commons Environment, Food and Rural Affairs Committee. Energy Efficiency and Fuel Poverty. Third report of session 2008-09. www.publications.parliament.uk/pa/cm200809/cmselect/cmenvfru/37/37.pdf

- Clearly established responsibilities for each Department identified.
- Setting out a range of scenarios to mitigate against unanticipated and unplanned for energy price increases.
- **Assistance needed to be targeted more effectively:** the Committee maintained that those charged with tackling fuel poverty needed to have more access to data and that there should be increased data sharing (taking into consideration the need for safeguards and protocols for the use of personal data). The Committee recommended that the Government should undertake a comprehensive survey of the data needs of agencies both in the public and private sectors whose work involves tackling fuel poverty issues.
- **Winter Fuel Payment:** the Committee felt that the payment could be targeted more effectively, i.e. the payment should be taxable and should not be received by those subject to the higher tax rate.
- **Social Tariffs:** a need for wider dissemination of information to customers on the availability and eligibility criteria for social tariffs.
- **Rising Block Tariffs:** rising block tariffs suggested as a mechanism for alleviating fuel poverty. A rising block tariff is an alternative method for charging for electricity and gas which essentially penalises high energy users and rewards low energy users¹⁸. The Committee welcomed Ofgem's work on rising block tariffs and stated that it looked forward to its conclusions.
- **Maximisation of Benefit Take-Up:** the Committee welcomed the piloting of combined energy efficiency and benefits advice services and recommended that the Government should explore how successful models could be implemented throughout the UK.
- **Smart Meters:** energy companies should be required to install smart metres in order to help the fuel poor modify their usage patterns to their advantage.
- **Warm Front:** that more resources should be targeted at 'hard to treat properties' (although they did acknowledge that this could lead to fewer people benefiting from the Scheme unless funding was increased). That the Government should consider reducing the timescales for the completion of work under the scheme to ensure that vulnerable households are not left without heating during the winter months. To ensure the cost of bureaucracy is minimised and to review the scheme rules to allow for the use by local contractors if this would result in value for money. The Committee also proposed that the Government explore the funding of aerial thermal imaging to identify houses/area experiencing the most heating loss.
- **Decent Homes Standard:** the Committee felt that Decent Homes was an effective vehicle for raising standards in social housing but felt that the Government should undertake an assessment of the costs for achieving higher SAP ratings¹⁹.

¹⁸ BRE (2009) An Investigation of the effect of rising block tariffs on fuel poverty, pp6.7.

http://downloads.theccc.org.uk/Rising%20block%20tariffs%20and%20fuel%20poverty_051009FINAL.pdf

¹⁹ Standard Assessment Procedure (SAP) ratings – a national standard for assessing the energy performance of buildings.

- **Private Rented Sector:** there was a need for stronger regulation to encourage energy efficiency in this sector and the increased use of local authority powers of enforcement.
- **Scale of Funding:** there was a need to treble funding for energy efficiency programmes directed at fuel poor households.
- **Energy Regulation:** requiring energy suppliers to adopt consistent standards on the provision of information on bills, that energy companies report annually on the proportion of energy efficiency programmes funded by the company and funded by customers, that the regulator be given sufficient access to energy companies' financial information.

House of Commons Energy and Climate Change Committee Inquiry on Fuel Poverty ([report published March 2010](#)²⁰)

This inquiry sought evidence on the definition of fuel poverty; the coherence of Government initiatives on energy efficiency; the methods used to target assistance at households which need it the most; social tariffs and plans to put social price support on a statutory footing; Winter Fuel Payments and Cold Weather Payments; and support for households not connected to the main gas grids. The report makes 14 recommendations relating to five broad themes:

- **Targets and Trends :** retention of the target to eradicate fuel poverty by 2016; developing a 'Road Map' for tackling fuel poverty with greater clarity on:
 - The range of actions needed to address fuel poverty, how they interact together, and who 'owns' each action.
 - The milestones towards the 2016 target.
 - What will happen if the milestones are not reached?
 - The level of funding and resources that are needed and that are available.
- **Targeting the Fuel Poor:** the Committee argued that the use of benefits as a proxy for fuel poverty is inefficient and inequitable and leads to a lack of support for many in fuel poverty but not on benefits. The Committee also believed that the Winter Fuel Payment is unfocused and not targeted on people in or near fuel poverty.
- **Energy Efficiency:** that the Government should seek to focus the Warm Front Scheme given that the National Audit Office has highlighted that the scheme does not always target effectively those who are actually fuel poor. That there is an argument in the long term to move away from the Warm Front Scheme to tackle fuel poverty using a systematic street by street approach. The Warm Front Scheme would then become an emergency service for the most vulnerable people with urgent heating needs.

²⁰ House of Commons Energy and Climate Change Committee. Fuel Poverty. Fifth report of session 2009-10. Volume 1. www.publications.parliament.uk/pa/cm200910/cmselect/cmenergy/424/424i.pdf

- **Social Price Support:** that significant proportion of the resources continue to be targeted at older pensioners but recommend that the Government should consider how people with serious medical conditions (certain categories of cancer) could benefit from social price support.
- **Households off the gas grid:** the Committee stated that it was disappointed with the lack of time it is taking to assess alternative technologies for those not connected to the gas grid and the Government should consider urgently the case for regulating the market for fuels bought off the gas grid.

London Assembly Committee Investigation into Fuel Poverty

The Health and Public Services Committee of the London Assembly announced its [investigation into fuel poverty in London](#) in May this year. The investigation is focusing on how the Mayor is using his available resources to enable London to meet the national target of eradicating fuel poverty by 2016. It also aims to examine the actions taken by energy companies are taking to reduce fuel poverty in London^{21 22}.

A number of issues arose during the investigation which the Assembly Committee for Social Development may be interested in, i.e.:

- The Committee took evidence from the Project Director of the **Marmot Review**. The Marmot Review, published its report '[The Health Impacts of Cold Homes and Fuel Poverty](#)' in May this year²³. The review looked at the negative impact of cold homes on children, older people, on mental health and on physical health (e.g. respiratory and cardiovascular morbidity). It maintained that countries with more energy efficient housing have lower Excess Winter Deaths. The review argued that bringing *all homes* up to a minimum standard of efficiency would have the strongest positive impact on the poorest households. It also concluded that increased energy efficiency would be a good lever to stimulate the economy in terms of sustaining and increasing employment in the construction and related sectors.
- The Committee took evidence from Haringey Council which was one of the first boroughs in London to use **aerial thermal imaging** to enable the council and homeowners themselves to identify cold homes in need of energy efficiency interventions (imaging funded through a Neighbourhood Renewal Fund)²⁴. Although a number important caveats were identified with the use of thermal imaging e.g. the imaging provides only a snapshot of one moment in time and imaging can be

²¹ For further information see www.london.gov.uk/who-runs-london/the-london-assembly/assembly_investigation/fuel-poverty-london

²² London Assembly. Health and Public Services Committee. Transcript, 22 June 2011.

www.london.gov.uk/moderngov/mgConvert2PDF.aspx?ID=4880&T=9

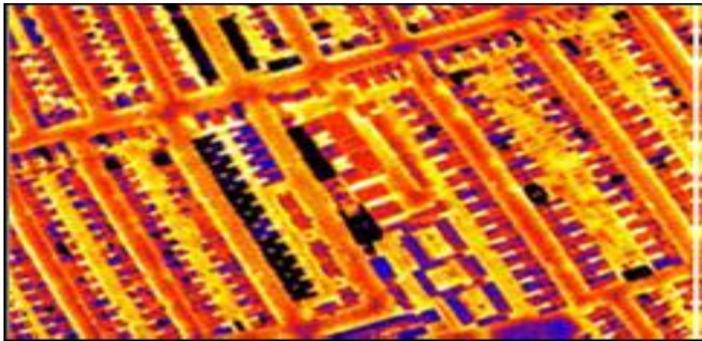
²³ Marmot Review (2011) *The Health Impacts of Cold Homes and Fuel Poverty* (commissioned by Friends of the Earth).

www.marmotreview.org/reviews/cold-homes-and-health-report.aspx

²⁴ For further information see

www.haringey.gov.uk/index/housing_and_planning/housing/housingadvice/homeheatloss/thermal_imaging-2.htm See also www.hotmapping.co.uk/

affected by factors such as whether the heating was turned on the night of the survey.



Picture thermal imaging (Haringey)²⁵

- The evidence session also highlighted a number of other inventions being piloted to target fuel poverty, e.g. providing of GPs with an IT tool enabling them to refer vulnerable patients to local energy efficiency and insulation programmes identify patients at risk of fuel poverty. Mersey Fire and Rescue Service use its reputation amongst vulnerable communities to gain access to their homes to talk about a range of other issues in addition to fire safety, e.g. keeping the home warm, accessing benefits etc.

All Parliamentary Group Co-operation

Whilst they are not statutory committees and have limited powers of investigation, all party parliamentary group structures have been used successfully in other jurisdictions to bring together politicians and key organisations. The All Party Parliamentary Fuel Poverty and Energy Efficiency Group and the Parliamentary Renewable Energy Group, both based in Westminster, have even worked in co-operation to hold a joint Inquiry with relevance to fuel poverty.

The [All Party Parliamentary Fuel Poverty and Energy Efficiency Group](#)²⁶ aims to maintain awareness in Parliament of fuel poverty issues; to monitor and comment on progress against Government targets to eradicate fuel poverty; advocates policies to deliver affordable warmth for vulnerable households with an emphasis on energy efficiency. The Group was initially established in 1998 and by the end of its 12th year claims to have over 80 MPS and Peers and 45 associate members from key stakeholders with an interest in fuel poverty. The Secretary of the Group is currently listed as Margaret Ritchie, MP MLA. Its associate members include groups such as National Energy Action, Age UK, British Gas and Scottish Power.

In terms of joint co-operation, the Group has led a joint Committee of Inquiry with the Parliamentary Renewable Energy Group into '[Social Justice in the Low Carbon](#)

²⁵ Image extracted from Haringey Council website -

www.haringey.gov.uk/index/housing_and_planning/housing/housingadvice/homeheatloss/thermal_imaging-2.htm

²⁶ All Parliamentary Fuel Poverty and Energy Efficiency Group - www.fuelpovertygroup.org.uk/

[Transition](#)²⁷ which looked at the definition of fuel poverty as well as the effectiveness of current and future programmes to resolve fuel poverty. The [Parliamentary Renewable Energy Group](#)²⁸ is a cross party group for MPs and senior industry stakeholders which exists to promote sustainable energy issues in Parliament and the wider political community.

The joint report makes 14 recommendations relating to the definition of fuel poverty (within the context of the Hills Review), initiating a 'Road Map' approach to tackling fuel poverty involving all relevant group Departments and setting out the required range of funding and resources; improvements to existing fuel poverty programmes; rationalising Winter Fuel and Cold Weather Payments with more support for vulnerable households; recommendations relating to the Green Deal and energy company obligations.

National Assembly for Wales

Like in Westminster, during the last mandate the National Assembly for Wales had a Cross-Party Group on Fuel Poverty supported by Consumer Focus Wales and National Energy Action Cymru. The purpose of the group was to ensure that fuel poverty was kept high on the political agenda in Wales and to campaign for the implementation of the policy priorities outlined in the Fuel Poverty Charter for Wales. The [Fuel Poverty Charter for Wales](#)²⁹ was launched in October 2010 by Consumer Focus Wales, National Energy Action Cymru and a dozen other campaign groups. The Charter calls for:

- A detailed action plan setting out how and when fuel poverty will be eradicated in Wales;
- Support to all fuel poor households to stay warm until fuel poverty is eradicated ;
and
- A co-ordinated and united approach across the statutory sector (at UK and Wales level) that involves partners from the private, voluntary and community sectors in Wales.

Northern Ireland now has a similar [Fuel Poverty Coalition](#)³⁰ and [Fuel Poverty Charter](#)³¹ which, in addition to the points above, calls for a national insulation retrofitting programme to improve the energy efficiency levels of all homes in fuel poverty.

The issue of fuel poverty does not appear to have been the subject of inquiry by a joint committee of the National Assembly for Wales but in the last mandate it has been explored by individual committees as part of wider inquiries, i.e. the Rural Development

²⁷ Copy of the report, published in May 2011, available from the Group's website - www.fuelpovertygroup.org.uk/

²⁸ Parliamentary Renewable Energy Group, www.praseg.org.uk/

²⁹ www.fuelpovertycharterwales.org.uk/about/

³⁰ www.fuelpovertycoalition.org.uk/

³¹ www.fuelpovertycoalition.org.uk/uploads/Northern_Ireland_Fuel_Poverty_Coalition_Charter.pdf

Sub- Committee (inquiry in poverty and deprivation) and the Sustainability Committee (inquiry into carbon reduction).

Issues the Committee may wish to consider:

Is there scope within existing procedures for establishing a cross-committee group on fuel poverty whose membership is drawn from other relevant committees? Which other Committees should be involved? Who should chair the Committee ? What would its terms of reference be? Should it conduct an inquiry? Should the Committee be time-limited or meet on an ad hoc basis throughout the term of the Assembly?

Are there alternative means for MLAs to work in co-operation to tackle fuel poverty, e.g. All Party Groups (bearing in mind there are certain limitations given that All Party groups are not formal Assembly groups)?

4 LOCALISED SOLUTIONS: PROMOTING THE ROLE OF LOCAL COUNCILS AND COUNCILLORS

The recently enacted Housing (Amendment) (Northern Ireland) Act 2011 provides district councils with new powers to promote energy efficiency in relation to energy efficiency in residential accommodation within their areas. With effective implementation this could potentially provide a mechanism by which councils can take a more proactive approach to tackling fuel poverty and promoting energy efficiency within their areas. Many councils within Northern Ireland are already involved in good practice in this area, e.g. initiating campaigns to promote the use of saving stamps towards the cost of oil bills.

Good practice evidence from Local Authorities illustrates there is much that can be achieved by involving councils. A recent report by the Local Government Group (June 2011) provides the following examples of how councils are helping householders improve the energy efficiency of their homes. The report emphasises that local partnership working is the most efficient and effective way to reach households in fuel poverty³²:

London Borough of Croydon

Run a scheme in conjunction with British Gas in which residents can insulate their cavity walls or lofts at a discounted price and receive £100 credit towards the following year's council tax bill. The rebate is part funded by the council (£40) and British Gas (£60).

Greater Manchester

The Affordable Warmth Access and Referral Mechanism (AWARM)³³ brings together the services and grants available from councils, central government and energy suppliers to better target vulnerable households as identified by primary care trusts, social services and third sector organisations.

Blackpool City Council

The council works in conjunction with NHS Blackpool to find the residents most vulnerable to fuel poverty using information such as the NHS flu-mailing list. Also seeking to link up with GPs to pilot direct referrals of vulnerable people to energy efficiency programmes. Particular interest in vulnerable older residents living in the

³² Local Government Group (2011) Warm and Healthy Homes: How councils are helping householders improve the energy efficiency of their homes. www.local.gov.uk/c/document_library/get_file?uuid=fa7ecd27-9571-4d30-bb20-a267870461a6&groupId=10161

³³ For further information about the AWARM initiative see www.manchester.gov.uk/forms/form/470/greater_manchester_awarm_referral

private rented sector. It has teamed up with third sector organisations to provide benefits and energy efficiency advice, home safety checks and a 'Care and Repair Service'.

Sheffield City Council

Has offered free insulation to thousands of homes in the private sector in order to tackle fuel poverty and reduce the council's carbon footprint. The scheme was rolled out on an area by area basis with fast-tracking for those aged over 70 and those on qualifying benefits. The project aims to cover the whole city, on a ward by ward, street by street basis over the next few years. The Scheme is funded by the Council (using CERT funding) and Scottish Power.

Worcestershire County Council

A predominately rural county with a significant number of off-gas grid properties relying on solid fuels and home heating oil. The 'Warmer Worcestershire' project uses aerial thermal imaging surveys to identify areas with poor energy efficiency. Benefit data is cross-referenced with the worst performing properties on the thermal imaging map. These households are then given information on grants and energy efficiency advice.

Kirklees Council

Implementing an initiative aimed at tackling fuel poverty in the private rented sector. Uses Energy Performance Certificates (EPCs - which all private rented property must have) to identify the most energy inefficient properties. Kirklees is also running an external cladding scheme for non-traditional properties and gas-heating replacement schemes and solar panels targeted at inefficient systems.

Walsall Council

Targets households with a low income (under £21k) in its 'Health through Warmth Grant'. This way of identifying those at risk from fuel poverty is preferred by the council to the requirements for households to be on means-tested benefits as some poorer households that do not receive or apply for benefits often miss out on grant aid. The scheme trains a wide range of workers,

including health and housing staff, to recognise when a client's condition is made worse because they live in a cold damp home.

In considering these initiatives, one should note that local authorities in Great Britain have a much wider remit and access to resources than local councils in Northern Ireland in relation to energy efficiency and fuel poverty. Local authorities in GB have a more strategic housing role and closer ties with certain health professionals through the management of social care. In Scotland, local authorities operate their own local fuel poverty strategies within the context of wider community planning strategies and local Community Planning Partnerships. There are many other approaches adopted by Local Authorities in GB aimed at tackling energy efficiency which have not been implemented in Northern Ireland. For example, some local authorities in GB (e.g. in association with not-for-profit financial intermediaries) offer tailored equity release and loan schemes to assist older home owners with costly home improvement and energy efficiency measures. Some local authorities also offer tailored loans to local landlords to ensure that there is sufficient thermal comfort in private rented sector properties³⁴.

With regard to the role of local councils and councillors, the Committee may wish to:

Consider the merit of conducting an audit of energy efficiency and fuel poverty measures adopted by local councils in Northern Ireland. Identify areas of good practice (locally, nationally and internationally) and consider how these could be disseminated wider.

Identify what additional powers and resources councils feel are necessary to promote energy efficiency (e.g. more powers and resources to address energy inefficiency in the private rented sector)?

Explore mechanisms aimed at improving the interaction between Councils, Government Departments and agencies, the Assembly, energy companies, the voluntary and community sector and the general public in relation to energy efficiency and fuel poverty.

Explore whether any of the innovative initiatives deployed by Local Authorities in other jurisdictions could be adapted for Northern Ireland within the context of current budgetary constraints.

³⁴ Groves, R. & Sankey, S. (2005) Implementing new powers for private sector housing renewal. Joseph Rowntree Foundation.

5 LOCALISED SOLUTIONS: VOLUNTARY, COMMUNITY AND PRIVATE SECTOR INITIATIVES

The Role of Housing Associations and other Social Housing Providers

Housing Associations have an important role to play in tackling fuel poverty. Many Housing Associations within Northern Ireland already make significant contributions by building energy efficient homes and testing new technologies and by providing advice or signposting to other services (e.g. social security benefit take-up information and debt advice). Housing Associations in other jurisdictions arguably have much a wider remit and freedom in which to tackle the causes and impacts of poverty which goes beyond their role in social housing management (e.g. stimulating local employment through the creation of social enterprises, offering financial inclusion and debt management services).

An energy brokering [feasibility study report](#) published by the Housing Executive, the Consumer Council and Bryson House Charitable Group in 2010 indicated that there was scope for energy brokering schemes to be developed for Northern Ireland energy consumers and provided a number of national and international case studies. One of these is WoonEnergie, an organisation based in the Netherlands which acts as an energy broker for housing association tenants. WoonEnergie was established by the Dutch federation of housing associations. Housing association tenants authorise the organisation to act on their behalf in contracting an energy supplier who then invoices tenants directly. WoonEnergie is said to be the largest consumer collective in the Netherlands with more than 60,000 households and the annual benefit to each household is estimated to be around €60³⁵.

Housing associations and other Registered Social Landlords in Great Britain have also been involved in brokering better energy deals for its tenants. For example, [Golden Gates Housing Trust](#) (Warrington)³⁶ works in co-operation with EBICO to offer fairer deals on gas and electricity. [EBICO](#)³⁷ is a not for profit gas and electricity supplier, its licensed energy supply partner is Scottish and Southern Energy (SSE) but the power is actually supplied by one of SSE's operating companies (Southern Electric, SWALEC, SSE or Scottish Hydro) depending on where a consumer lives. EBICO offers one single flat rate price for all consumers regardless of payment method. The average annual dual fuel bill (i.e. gas and electricity) for an EBICO customer is estimated to be

³⁵ Northern Ireland Housing Executive, Consumer Council, Bryson House Charitable Group (2010) People Power: Energy Brokering report: feasibility study. www.consumercouncil.org.uk/filestore/documents/Energy_Brokering_-_People_Power_%28FINAL%29.pdf

³⁶ See www.gght.org.uk/TenantServicesLive/Content.aspx?id=261

³⁷ www.ebico.org.uk/

£517 for a low energy user, £1,048 for a medium energy user and £1,489 for a high energy user³⁸.

Community/district heating schemes are another mechanism of providing group heating being trialled by some housing associations and local authorities in Great Britain. Community heating delivers heat to more than one building, dwelling or customer (e.g. housing, hospitals, university campuses, leisure centres, council buildings) from a central source (waste heat production or from industry). These schemes are particularly common in Scandinavian countries and in some European countries such as Germany.

The Energy Saving Trust maintain that benefits from community heating can include up to 25% savings in primary energy (in schemes which offer combined heat and power), a reduction in carbon emissions, savings from bulk fuel purchasing, and consumers can pay for what they use through pre-payment metres and smart cards³⁹. Some community heating plans proved to be more controversial than others. The Energy Saving Trust report that Redditch Borough Council had approved plans, despite some opposition, to reuse energy from a crematorium to heat a local leisure centre. The council claimed that it would result in a saving of £14,560 per year and would reduce the council's carbon emissions by 4%⁴⁰.

Example of a Community Heating Scheme - Glenshellach Community Heating Scheme (Oban, Scotland)

Built by West Highland Housing Association, the scheme is an example of a biomass community heating scheme (approximately 89 domestic properties). The properties are heated by a single 650kW woodchip boiler. Pumps circulate the water into two separate ring main loops (east and west). Each property has a heat exchanger, which takes heat from the ring main and transfers it for use in the home. Hot water from the system heats under floor pipes in the ground floor and radiators in the upper floor of each property and also domestic hot water tanks.

Tenants buy heat by using a smart card and a heat meter. The card can be topped-up by a payment at the local petrol station (like a mobile phone card or electricity card). The card is inserted in the domestic meter which allows heat to flow to the limit of the credit purchased. A motorised valve closes down the heat supply when credit is exhausted. It has been suggested that an extension of the service to serve the local hospital would improve efficiency, increase output and revenue⁴¹.

With regard to the role of Housing Associations, the Committee may wish to:

Consider the current role of Housing Associations in tackling fuel poverty and whether they require additional powers/tools to enable them to play a much wider role.

Explore whether any of the innovative initiatives deployed by Housing Associations in other jurisdictions to tackle poverty and fuel poverty could be adapted for Northern Ireland.

³⁸ Information extracted from the EBICO website - www.ebico.org.uk/products-and-prices/rates-and-prices

³⁹ For further information on community heating schemes see Energy Savings Trust 'Community Heating: a guide'. www.energysavingtrust.org.uk/Publication-Download/?p=1&pid=337

⁴⁰ Energy Saving Trust. 'Plans approved for controversial community heating system'. 11 February 2011.

⁴¹ Information extracted from www.scotland.gov.uk/Publications/2009/03/20155542/33

Explore the advantages and economic feasibility of community heating schemes and the bulk purchase of fuels.

Fuel Poverty in the Private Rented Sector – Co-operation between Statutory Agencies and Landlords

It has been suggested that the private rented sector is one of the most difficult housing tenures to incentivise to have energy efficiency measures installed⁴². The private rented sector in Northern Ireland has grown significantly in recent years and has overtaken the social housing sector (around 116,000 properties in the social housing sector, 124,600 in the private rented sector)⁴³. It is likely that the private rented sector in Northern Ireland will continue to play a significant role as a provider of housing and is therefore an important target in terms of tackling fuel poverty. The 2009 House Conditions Survey report highlights that both the proportion of lower income households, and the proportion of households with children living in private rented accommodation is increasing⁴⁴.

So what can be done to address fuel poverty in private rented properties?

Undoubtedly co-operation between statutory agencies (DSD, NIHE, local councils) and landlords and their representative organisations is crucial. However, incentivising landlords to improve the thermal comfort and energy efficiency in their properties is made difficult by a lack of sufficient funding, e.g. for grant improvements schemes. Responses to consultation for the strategy for the private rented sector in Northern Ireland ('[Building Sound Foundations](#)') maintained that the current Fitness Standard was no longer a comprehensive measure of the suitability of a dwelling for occupation. Building Sound Foundations stated that the Department would take appropriate action to raise the fitness standard for the private rented sector. The strategy also stated that work was underway to develop, in association with the main stakeholders, the standard that should apply to the private rented sector including compliance measures and that the new standard would include thermal comfort measures.

There are a number of measures being implemented in other jurisdictions to improve energy efficiency and to tackle fuel poverty in the private rented sector. Provided below are a few illustrative examples:

- Accreditation schemes to support responsible landlords - linking membership of the scheme to properties achieving a certain energy performance and providing advice and support to landlords to make improvements in order to participate in the scheme. A number of councils are using Energy Performance Certificates

⁴² UK Public Health Movement. 'Strategic Use of Housing Health and Safety Rating (HHSRS) can help address cold homes and fuel poverty'. www.warmerhealthyhomes.org.uk/index.php?option=com_content&view=article&id=164%3Amore-strategic-use-of-hhsrs-can-help-address-cold-homes-and-fuel-poverty&Itemid=91

⁴³ Figures from Northern Ireland Housing Executive (2011) *Housing Market Review and Perspectives 2011-2014*.

⁴⁴ Northern Ireland Housing Executive (2011) Northern Ireland House Conditions Survey 2009, Main Report, p34. www.nihe.gov.uk/northern_ireland_house_conditions_survey_2009_-_main_report.pdf

(compulsory for all new rentals) to identify the most energy inefficient properties in order to target advice and resources.

- Amendment made to the Westminster Energy Bill to introduce a minimum energy efficiency standard for homes rented from a landlord from 2018 and from 2016 measures to allow councils and tenants to demand energy efficiency measures from landlords⁴⁵.
- Promoting the availability of Landlords Energy Efficiency Savings Allowance - a tax allowance (not a cash payment) of up to £1,500 for the costs of buying and installing certain energy saving products (e.g. cavity wall and loft insulation)⁴⁶.
- Some local authorities provide, through a financial intermediary, tailored loans for landlords to enable them to carry out repairs and energy efficiency measures.

Additionally, organisations such as Consumer Focus maintain that additional action is required in order to improve energy efficiency in the private rented sector, i.e.

- Setting a deadline of no later than 2015 after which it will be an offence for a landlord to let a property which is below an EPC band F or G.
- Raising the Landlord's Energy Savings Allowance from its current value of £1,500 to £10,000 to help support the landlords in meeting the new standards. The Government should also put into place plans for promoting the new allowance.
- Providing guidance to local authorities so that they can advise landlords with low rated properties on the measures required to bring properties up to minimum standards⁴⁷.

With regard to fuel poverty and the private rented sector, the Committee may wish to:

Request that the Department for Social Development to provide an update on the progress of the Strategy for the Private Rented Sector s on raising the fitness standard for the private rented sector.

Consult with private landlords and their representative organisations on the role they currently play in addressing fuel poverty and what additional resources or mechanisms they perceive would be required to play an enhanced role.

Consider the role of landlord registration and tenancy deposit schemes in disseminating advice and resources on fuel poverty/energy efficiency/benefit uptake to landlords and tenants.

Explore further innovative initiatives deployed in other jurisdictions to tackle poverty in the private rented sector and whether these could be adapted for Northern Ireland.

⁴⁵ Friends of the Earth (2011) Minimum energy efficiency standard for private rented sector homes. www.foe.co.uk/resource/briefings/private_rented_homes.pdf

⁴⁶ For further information on the allowance see www.direct.gov.uk/en/HomeAndCommunity/PrivateRenting/RentingOutYourProperty/DG_175186

⁴⁷ Baker, W. & Laine, L. (2010) A private Green Deal: The case for minimum energy efficiency standards in the private rented sector. Consumer Focus. www.consumerfocus.org.uk/files/2011/01/A-private-green-deal.pdf

Affordable Credit and Fuel Poverty: The Role of Credit Unions and Community Finance Initiatives

Many households in poverty struggle to budget for significant household expenditure such as fuel bills. Some of these households are forced to turn to 'loan sharks' because they either don't have access, or don't know how to access affordable credit. Research commissioned by National Energy Action and the New Economics Foundation maintained that there was a need for a "Factor Four" approach to tackling fuel poverty. Central to this approach is the development of bill payment services (e.g. fuel bills) provided through **community finance initiatives** e.g. credit unions or community reinvestment trusts. The three other factors in the integrated 'factor four' approach also include;

- **Factor Two: Energy efficiency advice** (including information and assistance in accessing grants);
- **Factor Three: Budgeting and money management advice** (including information on advice on tax and benefit entitlements); and
- **Factor Four: Information and advice on getting the best deal in a competitive domestic energy market**⁴⁸.

The concept of a new bill payment service would be to allow people to make small but regular payments for gas and electricity at a credit union or other community finance initiative. These payments would then be passed on to energy suppliers using a direct debit set up for the community finance initiatives account thereby enabling service users to benefit from cheaper group tariffs⁴⁹. In October 2008, NEA Cymru held a roundtable event on financial inclusion and fuel poverty, which made a number of recommendations to the Welsh Ministers for Social Justice and the Environment. Amongst these was the suggestion of a '**Partnership Triangle**' of the credit union, benefit advice and energy advice to co-ordinate referrals and access funding. It was suggested that area-based approaches could be successful in bringing together income maximisation and energy efficiency advice⁵⁰.

The Northern Ireland Fuel Poverty Advisory Group had previously recommended that Government enter into dialogue with credit unions in Northern Ireland to facilitate the spreading of fuel costs across the year through lending arrangements e.g. fuel stamp savings schemes⁵¹. There are a number of examples in other jurisdictions whereby credit unions have/are working in co-operation with local councils and energy

⁴⁸ Collard, S. (2001) Ending Fuel Poverty: a Factor Four approach. A Market Feasibility Study.

www.ofgem.gov.uk/SUSTAINABILITY/SOCACTION/PUBLICATIONS/Documents1/271-5march02a.pdf

⁴⁹ Ibid, p35.

⁵⁰ National Assembly for Wales. Communities and Culture Committee. Financial Inclusion and the impact of Financial Education. Response from National Energy Action Cymru. www.assemblywales.org/bus-home/bus-third-assembly/bus-committees/bus-committees-scrutiny-committees/bus-committees-third-ccc-home/cc_inquiries/cc3_financial_inclusion_/cc_3_responses_received_/cc_3_fi_18.htm

⁵¹ Northern Ireland Fuel Poverty Advisory Group. Third Annual Report. Tackling Fuel Poverty: Facing Uncertainty. www.dsdni.gov.uk/nifpag-3rd-annuak-report.pdf

companies on initiatives to improve energy efficiency and tackle fuel poverty. A few illustrative examples are set out below.

- **Dundee** – Discovery Credit Union, Scottish and Southern Energy (S&SE), Dundee City Council, Dundee Energy Efficiency Advice Project (DEEAP). Project targeted at local authority housing tenants. Package of measures include access to home energy efficiency visits; grants for insulation; benefit entitlement checks; a 20% reduction on fuel prices through a social tariff. Discovery credit union provided the financing for the purchase of energy efficient appliances. Householders wishing to take advantage of the low rate loans become members, paying a small deposit for the loan into a savings account (usually 10% of the goods ordered), the loan is then repaid at an affordable rate with interest at only 1% on the reducing balance (12.68% APR), this compares much more favourably to showroom interest rates of around 30% APR⁵².
- **West Sussex** – West Sussex Credit Union work in partnership with National Energy Action and EDF Energy to provide both practical energy advice and support to pay energy bills. The service includes free and confidential telephone assessments to help consumers pay their energy bills; advice and support on payment methods, advice on the best energy deals, energy saving advice; and debt advice and support⁵³.
- **Money Advice and Budgeting Service (Republic of Ireland)** – a free and confidential service for people with debt and money management problems. The service receives funding via the Department of Social and Family Affairs and is primarily targeted households with low disposable incomes. There are MABs offices throughout the Republic of Ireland, each office is managed by a local community based management committee consisting of representatives from e.g. credit unions, local authority, Citizen's Information Service. On a practical level MABs aims to provide practical budget and money management skills and aim to open up alternative credit options by working with the credit union movement.

It is important to assess if credit unions in Northern Ireland require additional support to play an increased role in the alleviation of poverty/fuel poverty. In this respect, it would be useful to consider the findings of the 2008 report by the NI Assembly Committee for Enterprise, Trade and Investment on the '[Inquiry into the Role and Potential of Credit Unions in Northern Ireland](#)'⁵⁴. The Committee recommended, for example, that credit unions in Northern Ireland should be permitted to expand their range of services to include, at the very least, those services credit unions in GB currently offer. The Committee further recommended that credit unions in NI be given access to the GB Growth Fund. The Growth Fund was established in 2004 to raise levels of access to

⁵² Information extracted from www.scotland.gov.uk/Publications/2009/05/28154437/8

⁵³ Information extracted from www.westsussexcreditunion.co.uk/news.asp

⁵⁴ Northern Ireland Assembly (2008). Committee for Enterprise Trade and Investment. Report on the Committee's Inquiry into the Role and Potential of Credit Unions in Northern Ireland. http://archive.niassembly.gov.uk/enterprise/2007mandate/reports/report05_08_09r.htm#2

affordable credit by building the capacity of third sector lenders to offer a wider range of products to financially excluded households.

With respect to the link between affordable credit and fuel poverty, the Committee may wish to consider:

How to increase opportunities and create a more co-ordinated approach for people in Northern Ireland to gain skills and make informed decisions on budgeting, borrowing and financial products. To consider examples of best practice within Northern Ireland and other jurisdictions.

The current capacity of credit unions and the voluntary and community sector within Northern Ireland in promoting financial inclusion and identify what additional support may be needed.

Energy Brokering – what role for the Voluntary and Community Sector?

Voluntary and community groups and organisations already play an important and significant role in the prevention and alleviation of fuel poverty (and indeed poverty in general) within Northern Ireland, e.g. through the delivery of the Warm Homes Scheme; acting as consumer guardians and advocates; providing advice and initiatives on benefits, energy efficiency, housing rights, financial management; providing housing with high levels of thermal comfort; the targeting of fuel poverty initiatives at vulnerable groups (e.g. older people, people with cancer); and helping individuals and families struggling with household expenditure (e.g. food banks and financial assistance with fuel bills provided by a number of churches).

But is there scope for greater community and voluntary sector involvement in energy brokering in Northern Ireland? The following examples provide an illustration of just some of the ways in which third sector organisations and groups can input into energy brokering/bulk purchasing.

Village/Area-Based Home Heating Oil Co-operatives/Syndicates

A number of villages particularly in rural areas of England, Scotland and Wales are setting up oil co-operatives/syndicates to barter with home heating oil companies. Some of the groups involve support and advice from local not-for-profit energy organisations. Usually a minimum order of 500 litres per household is required and some groups have teamed up with local credit unions who offer one to one advice on loans or savings arrangements. The average savings is said to be around 10%. One example of such a co-operative is the Lower Swale syndicate which was set up around

three years ago and buys for eight villages. The syndicate is said to submit fuel orders for around 140,000 litres of oil every other month⁵⁵.

Typically each household pays the same rate regardless of order size. The successful company bidding for the custom usually contacts each household to arrangement payment and delivery and the syndicate is not liable for non-payment. This could potentially be used as a model to help owner-occupiers and private rented tenants who can't access bulk purchase schemes operated by social housing providers for their tenants. Home heating oil co-operatives may have the potential to assist other low income groups who may not traditionally be seen as vulnerable to fuel poverty, e.g. students.

Citizen's Energy Oil Heating Programme

There are other international examples of home heating oil initiatives, e.g. the Citizens Energy Oil Heat [Programme](#)⁵⁶ which is available in certain US states and which delivers discounted home heating oil to older people and those on low incomes (particularly those who do not qualify for federal assistance programmes). Citizens Energy works with thousands of oil heat dealers and local fuel assistance agencies in 23 states to provide deliveries of home heating oil to those in need. The Oil Heat Program provides eligible families with a one-time delivery of 100 gallons of home heating oil.

A Not for Profit Energy Supplier

Ebico Ltd is an example of a not-for-profit gas and electricity supplier. The company was set up in 1999 to assist those most disadvantaged by energy market trends. It has no shareholders and therefore no dividends to pay-out to investors. Instead, it focuses its resources into providing EquiGas and EquiPower tariffs at 'fair' rates for every user regardless of payment method (as there is a tendency for prepayment meter customers pay for energy at a higher rate than say customers paying by direct debit). Ebico also reinvests its resources into local and nationwide fuel poverty and energy efficiency initiatives with universities and other not-for-profit agencies.

Ebico works in partnership with Scottish and Southern Energy (SSE) as its licensed supplier. The power supplied to consumers is actually 'delivered' by one of several distribution companies depending on where they reside and whether they are buying gas or electricity⁵⁷.

⁵⁵ The Northern Echo. "Villages pool their fuel with oil groups". 31 July 2011.

www.thenorthernecho.co.uk/news/local/northallerton/9168951.Villagers_pool_their_fuel_with_oil_groups/?ref=rss

⁵⁶ www.citizensenergy.com/english/pages/OilHeatProgram

⁵⁷ Information extracted from Ebico website, www.ebico.org.uk

The Committee may wish to:

Explore the development of home heating oil syndicates in Northern Ireland including the potential role for community and voluntary organisations and assessing the infrastructural support necessary to assist in developing such syndicates.

Explore the potential of harnessing the expertise of the third sector in relation to establishing a Citizens Energy Oil Heating Programme for vulnerable households (including vulnerable households not eligible for other assistance). Explore the capacity for businesses, individual donors, and energy companies to become involved in financing the Programme.

Explore the feasibility of establishing a not-for-profit energy supplier or intermediary in Northern Ireland and assess whether there are currently enough energy providers in Northern Ireland to facilitate a not for profit supplier.

6 TACKLING FUEL POVERTY: DEPARTMENTAL ACTION AND CROSS-DEPARTMENTAL CO-OPERATION

Fuel Poverty, the Programme for Government and Cross-Departmental Co-operation

There is only one explicit objective on fuel poverty in the Programme for Government (2008-11) under PSA 7 (Objective 4)⁵⁸. However, there are also other objectives in the PfG relevant to tackling fuel poverty, i.e. reducing poverty and disadvantage; increasing employment levels and economic inactivity; promoting decent, energy efficient affordable housing; and the opening up of energy markets to external competition.

Since the publication of the PfG, a new fuel poverty strategy for Northern Ireland ([‘Warmer Healthier Homes’](#), March 2011) has been developed which states that it places a “significant emphasis on the partnership approach required to tackle fuel poverty and cross departmental nature of the whole area of poverty”. One of the strategies key areas for action is to “Build Strong Partnerships” and the strategy states that:

“Through the Interdepartmental Group on Fuel Poverty other Departments also have a significant role to play in eradicating fuel poverty...Closer working, not only between government departments, but between government and the private and voluntary sectors is vital. There is a strong body of evidence that partnership working is the best way to tackle fuel poverty. We will work with other government departments, the voluntary sector, the energy sector and others who are committed to alleviating fuel poverty.”⁵⁹

Programme for Government - PSA 7, Objective 4

Objective	Actions	Target	Dept
Reduce levels of fuel poverty	Implement the recommendations of the Fuel Poverty Strategy published in 2004	Alleviate fuel poverty in approx. 9,000 households each year through energy efficiency measures.	DSD

Action 17 of the strategy is to develop and consolidate effective working arrangements across the statutory, voluntary and private sectors to make best use of existing capacity, and to secure increased commitment of all partners to joint working through new and existing partnership mechanisms.

⁵⁸ Programme for Government 2008-2011, www.northernireland.gov.uk/index/programme-for-government-and-budget-v1.htm

⁵⁹ Department for Social Development 92011) Warmer Healthier Homes, p36. www.dsdni.gov.uk/warmer-healthier-homes.pdf

Cross-Departmental Co-operation: A Road Map for Fuel Poverty?

The remainder of this section provides an illustration of the pivotal roles that other Departments, aside from DSD, have in eradicating fuel poverty (e.g. OFMDFM, DARD, DfP, DETI)⁶⁰. It is by no means intended to be comprehensive, but may demonstrate that fuel poverty is such a multi-dimensional issue that it cannot be addressed by one Department alone. It also looks at some examples of cross-departmental co-operation by Departments in other jurisdictions in addressing fuel poverty.

But what is the best means by which cross-Departmental co-operation can be achieved? The establishment of a cross-Departmental Ministerial Taskforce has been suggested as an important mechanism for achieving greater co-operation and ownership⁶¹. The development of a 'road map' for tackling fuel poverty has been another recurrent theme. The House of Commons Committee for Energy and Climate Change report on fuel poverty, for example, recommended that a 'road map' on fuel poverty is crucial to providing greater clarity on:

- the range of actions necessary for tackling fuel poverty;
- how these actions interact together;
- who owns each action;
- milestones towards the eradication of fuel poverty target in 2016;
- contingency plans in case the milestones cannot be reached;
- contingency plans which take account of fluctuating energy prices;
- the level of funding that is available⁶².

The Committee may wish to consider the concept of a 'road map' for addressing fuel poverty in further detail, e.g. it's advantages/disadvantages, the complexity of the task, ownership, etc.

⁶⁰ Important to note that DHSSPS and DoE also have important strategy roles in tackling fuel poverty but these are not explored in any detail in this paper.

⁶¹ Northern Ireland Fuel Poverty Charter, www.fuelpovertycoalition.org.uk/uploads/Northern_Ireland_Fuel_Poverty_Coalition_Charter.pdf ; Fuel Poverty Charter Wales, www.fuelpovertycharterwales.org.uk/assets/uploads/2009/10/Welsh-Fuel-Poverty-Charter-English-V7.pdf

⁶² House of Commons Energy and Climate Change Committee. Fuel Poverty. Fifth report of session 2009-10. Volume 1, para 12-15.

OFFICE OF THE FIRST MINISTER AND DEPUTY FIRST MINISTER

Does OFMDFM have a statutory role in relation to fuel poverty?

OFMDFM does not have an explicit statutory role in addressing fuel poverty, but there is a statutory requirement on the Executive to adopt a *poverty and social exclusion* strategy. This is expressed in Article 28E of the Northern Ireland Act 1998:

Strategy relating to poverty, social exclusion etc

(1) *The Executive Committee shall adopt a strategy setting out how it proposes to tackle poverty, social exclusion and patterns of deprivation based on objective need.*

(2) *The Executive Committee—*

(a) *must keep under review the strategy; and*

(b) *may from time to time adopt a new strategy or revise the strategy.*

What role does OFMDFM play in addressing fuel poverty?

The OFMDFM is the department with overall responsibility for the development and monitoring of the poverty and social exclusion strategy *Lifetime Opportunities*. The strategy commits government to the goal of “*improving the income and living conditions of the most disadvantaged*” which is to be achieved by, amongst other things, “*increasing household income and mak[ing] necessities such as fuel more affordable*”. Government’s view is that “*...fuel poverty is a subset of poverty and must be viewed in the context of overall poverty*”, and it could be inferred therefore that OFMDFM has a role in respect to fuel poverty, although not one which is explicitly defined in legislation.

OFMDFM’s role in assisting in the eradication of fuel poverty is mainly at a strategic level and its actions are generally indirect. Its principal role has been through the production and monitoring of the poverty and social exclusion strategy for Northern Ireland *Lifetime Opportunities* and in overseeing the delivery of the goals within the Programme for Government (PfG).

The *Lifetime Opportunities* strategy is cross-cutting and cross-departmental. Its overarching goal is improving the income and living conditions of the most disadvantaged. Although there is only one specific goal in relation to fuel poverty in the strategy it could be assumed that as a “subset of overall poverty” OFMDFM intends that fuel poverty will be confronted by the many policies arising from the general challenges to poverty expressed in the strategy.

Another key role for OFMDFM is in monitoring the implementation of the *Lifetime Opportunities* strategy, which, as stated earlier, is cross-cutting, cross-departmental in nature. In 2010 OFMDFM published a Monitoring Framework Baseline Report which presented statistics and progress to date by all departments in meeting the goals and targets of *Lifetime Opportunities*.

The *Programme for Government* (PfG) is by definition a multi-departmental scheme; however OFMDFM has a role in overseeing its implementation and delivery. OFMDFM has lead responsibility for three PSAs in the PfG and contributes to a number of other PSAs. For example PSA 7 (Making People’s Lives Better) places responsibility on OFMDFM to drive a programme across government to reduce poverty and address inequality and disadvantage. As with the *Lifetime Opportunities* strategy, OFMDFM’s role in the elimination of fuel poverty here is an indirect but strategic one.

What initiatives have been undertaken by the equivalent Department in other jurisdictions to address fuel poverty? Is there any evidence of good practice in cross-Departmental co-operation in other jurisdictions?

There is no direct equivalent to Northern Ireland’s OFMDFM within the jurisdictions in the rest of the UK and Ireland and no single department with the same role as OFMDFM in relation to poverty or fuel poverty. In general, the other jurisdictions have a number of divisions within the government structure which deal with poverty, social inclusion, housing etc. and on the whole have some role in relation to fuel poverty.

Scotland

The Housing and Regeneration Directorate leads on housing issues in Scotland and is responsible for energy efficiency and home insulation matters (although the Energy Saving Trust manages the delivery of energy efficiency and home insulation packages on behalf of the Scottish Government). The Scottish government has a target to eradicate fuel poverty as far as it is possible by 2016. To date the Scottish government has had three main programmes to address fuel poverty:

- The Energy Assistance Package (EAP) - a redesign of previous programmes which aims to reach more people and provide a wider range of support in one integrated package. The new system aims to improve the energy efficiency of homes and to maximise people's income. For example, it checks that a household is on the best fuel tariff and every caller to the fuel poverty programme is offered a free benefits check.
- The Home Insulation Scheme (HIS)
- The Universal Home Insulation Scheme (UHIS)

The Scottish government works in partnership with local authorities, voluntary bodies and energy companies to tackle fuel poverty, and local authorities are required to take fuel poverty into account in their local housing strategies. Energy companies are working with government in providing a package of insulation measures, funded under the Carbon Emissions Reduction Target, to fuel poor households.

Changeworks is an organisation sponsored by the Scottish government to improve the quality of life for people and communities and to protect the environment. It does this through a range of actions including supporting people at risk of fuel poverty. It runs fuel poverty outreach projects across East Lothian, Edinburgh and Midlothian through a specialist team of Energy and Affordable Warmth Advisors. Free home visits and surgeries are provided on heating, insulation, general energy efficiency, dampness, fuel billing, debt and disconnection and signposting for income maximisation.

Current *Changeworks* projects include:

- *Cosy Kids* – this project provides energy advice support and coaching to vulnerable families with young children. Funded by the Scottish Power Energy People Trust it aims to ultimately provide children with a better start in life.
- *Switched On* – this project aims to improve the skills and confidence of people, particularly those with learning difficulties, in or near fuel debt. Support and training for carers and social workers who work with vulnerable people is also offered. Funding is provided until 2014 by the Big Lottery Fund.

Wales

The Welsh Assembly Government's departments are grouped together into subject areas or Directorates. The 7 Directorates are each headed by a Director General who leads cross-cutting programmes to ensure joined up working across all departments. The Directorate for Local Government and Communities includes the Department for Communities and Social Justice which has responsibility for anti-poverty and community regeneration. The Department of the First Minister and Cabinet has a policy development and co-ordination role similar to OFMDFM.

The Sustainable Futures Directorate includes the Department for Housing Regeneration and Heritage. This department has lead responsibility for the National Strategy for Housing (*Improving Lives and Communities: Homes in Wales*). Two of the three main priorities of the national strategy are to improve homes and communities, including the energy efficiency of new and existing homes; and improve housing-related services and support, particularly for vulnerable people and people from minority groups. The Welsh Assembly government has a target that as far as is reasonably practicable, no household in Wales should be living in fuel poverty by 2018.

The government's revised fuel poverty strategy published in 2010 acknowledges that fuel poverty and its impact cuts across many different areas of government policy. Section 3 of the strategy "Action to Tackle Fuel Poverty" describes its approach. This includes for example:

- the *National Energy and Efficiency and Savings Plan*: a partnership scheme to improve the energy performance of homes, communities, businesses and the public sector.
- the *One Wales: One Planet- the Sustainable Development Scheme*
- *Taking Everyone into Account* – the government's financial inclusion strategy, aiming to facilitate a "holistic, co-ordinated, joint-agency response to financial inclusion issues"
- *Keep well this Winter* – part of a wider "Ageing Well" health promotion programme.

The Home Energy Efficiency Scheme (HEES) in Wales closed in 2011. This grant provided households with a package of heating and insulation improvements up to £2,000. It was designed to make homes warmer, more energy efficient and more secure.

It has been replaced by NEST. Nest is the Welsh Government's new fuel poverty scheme. It aims to assist people in Wales to reduce the impact of their fuel bills and operates in partnership with British Gas and the Energy Saving Trust. The scheme provides free full home energy assessments and free home improvements for the most energy inefficient homes. It also offers advice about benefit entitlement, and income maximisation.

England

There is no direct equivalent in UK central government to OFMDFM. Actions for tackling poverty and social exclusion in England and UK wide are the responsibility of a number of government departments. In 1997 the Cabinet Office established the Social Exclusion Unit which became the Social Exclusion Task Force in 2006. It was responsible for co-ordinating the Government's actions against social exclusion. Following a restructure, the Office for Civil Society (OCS) was created in the Cabinet Office in May 2010. Staff from the former Office for the Third Sector and the Social Exclusion Task Force are now working on the Big Society agenda within OCS. Lead responsibility for issues of multiple disadvantage now sits within the Department for Work and Pensions (DWP). The Child Poverty Unit of the Department for Work and Pensions (DWP) brings together key officials from the DWP, the Department of Education and HM Treasury.

The Department of Energy and Climate Change (DECC) is responsible for co-ordinating activity on fuel poverty across a range of government departments. It has a section on fuel poverty on its website. The UK Fuel Poverty strategy was published by DEFRA and DTI in 2001. A Plan of Action on fuel poverty was published in 2004 by DEFRA and expresses government's aim of ending fuel poverty in vulnerable households by 2010. Fuel poverty in other households will also be tackled with a target that by November 2016, as far as is reasonably practicable, no person in England will have to live in fuel poverty.

The government's package of programmes and measures includes :

- *The Warm Front Scheme*. This is aimed at making homes warmer, healthier and more energy-efficient. It offers a package of heating and insulation measures of up to £3,500 (or £6,000 where oil heating or other alternative technologies are recommended). People on certain income-related benefits who are owner-occupiers or private renters are eligible for the scheme. Carillion Energy Services administers Warm Front across England and DECC is responsible for ensuring the scheme tackles fuel poverty cost effectively.
- *The Carbon Emissions Reduction Target (CERT)*.
- *The Decent Homes* programme.

The *Home Heat Helpline* was launched by the Energy Retail Association in October 2005 in partnership with Government including the Department of Health, Department for Work and Pensions, and the Department for Business, Enterprise and Regulatory Reform. It aims to encourage vulnerable customers to talk to their energy suppliers, either directly or through third parties. Trained advisers can assess each caller's benefit entitlement, and if necessary put them in touch with their energy supplier's priority care team.

Republic of Ireland

There is no direct equivalent to Northern Ireland's OFMDFM in the government of Ireland. Responsibility for social policy and social inclusion is shared across a range of Government departments and agencies. Ireland's Combat Poverty Agency and the Office for Social Inclusion were integrated within the Department of Social and Family Affairs to form a new integrated Social Inclusion Division in July 2009. The Division has a central role in advising on the further development of strategies for social inclusion and in monitoring and evaluating progress in their implementation. It works in collaboration with an Inter-departmental Senior Officials Group, chaired by the Department of the Taoiseach, government departments and agencies, and local authorities.

The Department of the Taoiseach includes a Social Policy Unit which provides support to the Taoiseach in the delivery of social commitments in the Programme for Government and promote cohesion between different social policies and strategies.

The Department of the Taoiseach works closely with other Departments and agencies to advance a range of social inclusion objectives. Examples of this include the National Action Plan for Social Inclusion 2007-2016, the National Drugs Strategy and the National Disability Strategy.

The Irish government published an Energy Policy Framework in 2007 and a National Energy Efficiency Action Plan in 2009. It has recently consulted on the development of a National Affordable Energy Strategy which it intends to publish later this year. The lead department was the Department of Communications, Energy and Natural Resources. This department has established an Inter Departmental/Agency Group with the Department of Social Protection, and which includes the Departments of Finance, Taoiseach, Environment, Heritage and Local Government and Health and Children, the Commission for Energy Regulation, Sustainable Energy Authority of Ireland (SEAI), ESB and Bord Gáis. The Group is serving as a key coordinating body to ensure cohesiveness of the various actions under way and planned to address the energy efficiency and affordability challenges for vulnerable consumers.

Up to now Irish government policy to tackle fuel poverty has involved three main elements:

- Actions to raise the lowest income households out of poverty via general transfers through the tax and social welfare system
- Targeted allowances towards the purchase of fuel
- Initiatives to improve the energy efficiency of houses and equipment through the *Warmer Homes Scheme* (WHS), the *Housing Aid for Older People Scheme* and the *Low Income Housing Scheme*.

DEPARTMENT FOR AGRICULTURE AND RURAL DEVELOPMENT

Does DARD have a statutory role in relation to fuel poverty?

DARD has no statutory duty for the alleviation of fuel poverty. It does however increasingly see itself as having a statutory duty to support the development of sustainable rural communities. Despite not having a statutory duty for the alleviation or eradication of rural poverty DARD has taken an active and interventionist view on this issue in recent years. This situation corresponds with a growing sense both within and outside DARD of the need to support and encourage the development of sustainable rural communities, whilst recognising that the rural community is diverse and not only made up of farmers as evidenced by the Rural White Paper process.

What role does the Department play in addressing fuel poverty?

DARD's action on addressing fuel poverty could be defined as being both implicit and explicit. On the implicit action front, households are considered by the Government to be in 'fuel poverty' if they have to spend more than 10% of their household income on fuel to keep their home in a 'satisfactory' condition. Many farm households have been faced with this situation due to the pressures on farm viability and income driven by factors such as the rising cost of inputs like oil, fertiliser and feed. Many rural businesses and community organisations have also been affected by the rising cost of energy, a factor which is compounded by the reality that rural communities are essentially dependent upon oil due to the lack of natural gas infrastructure. In the light of this challenge, DARD and the wider rural community have been keen to meet the challenges of reducing costs associated with heat and energy.

Given this context it could be argued that moves to reduce farm, household and business energy costs through the development and use of renewable energy sources are a potential fuel poverty alleviation scheme. At present there a number of measures under Axes 1 and 3 of the Rural Development Programme 2007-2013 which can provide capital funding to farmers (and farm families), businesses and community organisations to develop and install renewable energy technologies to reduce heat and energy costs.

DARD has also undertaken more explicit work to address fuel poverty in rural areas as part of its Social Inclusion and Anti-Poverty Framework. Under this framework DARD was allocated £10m for actions to address rural poverty and social exclusion across the budget years 08/09-10/11. In developing the framework DARD were keen to ensure that it sought "... to identify where gaps exist in the fight against poverty and exclusion in rural areas, and sets out how they might be addressed through innovative, partnership led approaches with other government departments and stakeholders".

The framework had 4 key priority areas for action as follows:

- Fuel Poverty;
- Community Development;
- Rural transport and access; and
- Childcare.

The rationale for the inclusion of fuel poverty was the fact that 42.9% of households living in isolated rural areas in Northern Ireland were in fuel poverty according to work carried out by the Northern Ireland Housing Executive in 2006. In addition, and as mentioned previously DARD highlighted the reliance upon oil by rural households for heat and energy and the fact that volatility in the oil market had led to significant variations in cost.

As a result of the development of the Framework 700 rural homes received home insulation and central heating systems through the DARD intervention facilitating the 'top-up' of the DSD Warm Homes Scheme in 2008/09 which ensured £3m of DSD spend that otherwise would not have occurred.

During the 09/10 Financial Year, DARD in collaboration with DSD and NIE funded the insulation of 300 rural homes on low incomes that could not be supported through the new 'Warm Homes Scheme' - none of which would have been assisted had DARD not made funding available. During the last financial year (10/11) DARD worked with DSD and the new Warm Homes Scheme Implementation agents (Bryson Charitable Group and H&A Mechanical) to assist the targeting of "hard to reach" rural dwellers.

DARD also increased the number of rural referrals to the DSD Warm Homes and Insulation Schemes through the Maximising Access to Grants, Benefits & Services Project. To date over 1,500 referrals have resulted from the Maximising Access Project and 309 rural householders have benefitted. The number of beneficiaries is set to increase as referrals work their way through the system.

DARD is currently also exploring further potential rural Fuel Poverty intervention, with a view to working in partnership with key departments such as with DSD on their Fuel Poverty Strategy and with the Utility Regulator on approved NI Sustainable Energy Programme schemes. It is also worth noting that the issue of rural fuel poverty features within DARD's Rural White Paper Action Plan proposals which have been endorsed by the Executive and were recently put out to public consultation. The Action Plan contains a commitment by DSD to "...ensure that the new fuel poverty strategy takes account of the particular needs of rural households and houses."

What initiatives have been undertaken by the equivalent Department in other jurisdictions to address fuel poverty? Is there any evidence of good practice in cross-Departmental co-operation in other jurisdictions?

Wales

Agriculture and Rural Affairs are devolved matters in Wales and as such the Welsh Assembly Government is therefore responsible for action in rural areas. Unlike the system of government in Northern Ireland however, Wales has no dedicated department of Agriculture. There is a Deputy Minister responsible for Agriculture, Food, Fisheries and European Programmes but it is not clear whether this Minister has any specific role, responsibility or duty for the alleviation of fuel poverty in rural areas.

The Welsh Assembly Government as a whole has a Fuel Poverty Strategy which was launched in 2010, and this strategy has seen the development of initiatives such as the All-Wales Fuel Poverty Scheme and the Ynni'r Fro Programme which are designed to address the causes of fuel whilst encouraging the wider use of renewables to reduce energy costs respectively. It is however not possible to identify any specific role or function performed by either the Deputy Minister for Agriculture, Food, Fisheries and European Programmes or any of the bodies that he/she is responsible for within any of these programmes. Neither or there are any rural specific fuel poverty programmes, but the Fuel Poverty Strategy does recognise the challenge posed for rural dwellers in terms of choice of fuel, whilst emphasising the point that fuel poverty affects more rural than urban households within Wales.

In line with the rest of the UK, Wales has its own Rural Development Programme (RDP) running from 2007-13. The Welsh RDP is made up of the same Axes and Measures found in Northern Ireland, meaning that the funding of renewable energy projects, which could reduce energy costs and as a result potentially reduce the risk of fuel poverty is entirely feasible.

Scotland

Similarly to the system in Wales, agriculture and rural affairs are devolved matters and the responsibility of the Scottish Government, but once again there is no dedicated department for agriculture as found in Northern Ireland. There is a Cabinet Secretary for Environment and Rural Affairs but once again it is unclear as to whether this "Minister" has any specific role, responsibility or duty for the alleviation of fuel poverty in rural areas.

The Scottish Executive Fuel Poverty Statement was published in 2002 and set out to identify the causes of and outline the Executive's definition of fuel poverty, along with highlighting what the Executive had done and would do to eradicate fuel poverty in Scotland by 2016. There are no references to rural fuel poverty within this document and structures that emerged as a result of the statement such as the Scottish Fuel Poverty Advisory Group had no rural specific representation or membership.

The latest Programme for Government 2010-11 neither makes any specific reference to rural fuel poverty or any commitments to how the issue can be addressed but does emphasise the commitment of the Scottish Government to "...extending the impact of the Energy Assistance Package to improve delivery of energy conservation and efficient heating systems throughout Scotland. The expansion of the Home Insulation Scheme will help tackle climate change and fuel poverty and provide work for energy and insulation companies."

There is no evidence to suggest that schemes to address fuel poverty in Scotland such as the Energy Assistance Package, Home Insulation Scheme or Scottish Boiler Scrappage scheme, all of which are delivered by the Energy Saving Trust, have any particular focus or emphasis on rural households or people, but the evidence suggests that rural people have undoubtedly benefitted.

In line with the rest of the UK, Scotland has its own Rural Development Programme (RDP) running from 2007-13. The Scottish RDP is made up of the same Axes and Measures found in Northern Ireland, meaning that the funding of renewable energy projects, which could reduce energy costs and as a result potentially reduce the risk of fuel poverty is entirely feasible.

England

Fuel poverty is the responsibility of the Department of Energy and Climate Change (DECC). However, Defra has an interest in this issue both from an environmental and rural perspective, and is working with DECC at Ministerial and official level to identify the best ways to help people in rural areas.

The Government is implementing a number of fuel poverty and energy efficiency schemes which may help, but are not specifically targeted at rural fuel poor households:

- Warm front;
- Carbon Emissions Reduction Target (CERT);
- Community Energy Savings Programme (CESP);
- Boiler Scrappage Scheme; and
- Household Energy Management (HEM) Strategy.

As stated previously for the other UK nations England has its own Rural Development Programme which could be theoretically accessed to fund renewable energy projects which have the potential to reduce energy/fuel costs, and by default those at risk of fuel poverty.

Interestingly the Defra website includes details relating to the Low Carbon Communities Challenge (LCCC), a two-year research programme designed to test delivery options for achieving ambitious cuts in carbon emissions at community level. It will provide up to £500,000 and advisory support to a total of 22 test communities across the UK – 12 of which will be within rural communities. Examples of the projects covering rural England include:

Example: Ellen MacArthur Foundation, Chale Green, Isle of Wight

Bringing an entire rural off grid community out of fuel poverty, with an integrated approach to reducing carbon. Additional funding is provided by the social landlord to ensure the properties are upgraded to Decent Homes and Ellen MacArthur Foundation is supporting the project management and behaviour change elements of the project. The entire village will benefit from the social improvements and a number of PV installations throughout the estate will feed a community managed funding initiative to ensure the project continues to support the village improvements for years to come.

Example: Hook Norton, near Banbury, Oxfordshire

The 2,500-strong community has been working on reducing its carbon footprint for a number of years. It will spend the money on installing a heat recovery system, solar panels, two community electric pool cars and a ground source heat pump at the local primary school (Hook Norton Church of England Primary School); provide interest free loans for a whole-house retro-fit of six homes; on top of this, it will insulate 40 homes and install solar thermal panels on a further 20; put a bio-diesel tank in the local brewery (Hook Norton Brewery) to supply bio-diesel fuel for the vehicles of 50 households. All these activities will provide income back in to a rolling low carbon fund so that the community can continue to take action for the next 10 years.

Republic of Ireland

Agriculture and rural affairs are the responsibility of the Department of Agriculture, Fisheries and Food within the Republic of Ireland. The Department does not have any statutory duty for fuel poverty but has an obligation to contribute to overall government strategies that might impact on the issue.

One such example is the National Action Plan for Social Exclusion 2007-2016, which outlines the need to address fuel poverty across government and highlights a number of initiatives that would impact on rural areas, but there is no clear reference to any specific role that the Department for Agriculture, Fisheries and Food (then known as the Department of Agriculture and Food) was to play in this work. The Irish Government's Programme for Government 2011-2016 also makes a commitment to complete and publish a strategy to address fuel poverty but there is no indication as to when this will be achieved, or the role, if any, that the Department of Agriculture, Fisheries and Food will play.

On a more rural specific basis the Irish Rural White Paper published in 1999, but yet to be revised or updated, contained a specific section on the issue of social inclusion and endorsed “...the objectives contained in the National Anti-Poverty Strategy and will ensure that the overall strategy for rural development is underpinned by a socially inclusive dimension”. It is however hard to define the impact this high level commitment had on the addressing of rural poverty, never mind the specific role of the then Department of Agriculture, Food and Rural Development.

One of the projects mentioned in the National Action Plan for Social Exclusion was a fuel poverty action research project undertaken by a number of organisations including the SEAI (Sustainable Energy Authority of Ireland) and the Combat Poverty Agency (CPA) to improve energy efficiency in selected dwellings in the Cork area and rural Donegal.

In line with the examples cited for the UK nations, the Irish Rural Development Programme 2007-2013 could be theoretically accessed to fund renewable energy projects which have the potential to reduce energy/fuel costs, and by default those at risk of fuel poverty.

DEPARTMENT OF FINANCE AND PERSONNEL

Does DFP have a statutory role in relation to fuel poverty?

DFP's role in respect of fuel poverty is limited to:

- Working on the resource implications of the fuel poverty policy
- Responsibility for building standards in Northern Ireland (NI).

What role does the Department play in addressing fuel poverty?

Examples of specific actions, undertaken by DFP, which should contribute to the eradication of fuel poverty, are outlined below.

- DFP is responsible for legislation relating to energy performance of buildings in NI. Since 20th December 2008, all properties – homes and commercial – when constructed or being marketed for sale or rent, require an energy performance certificate (EPC). This should assist in avoiding fuel poverty in that potential owners/tenants will be more informed as to the efficiency (or otherwise) of a property before entering a contract.
- Review of Domestic Rating: Amongst other issues, this considered the merits of 'Green Rebates' to encourage energy efficiency. Announced in 2008, green rebates will provide relief to householders who make energy efficiency improvements to their homes, such as cavity wall and loft insulation.
- In broader terms, DFP has taken a number of measures to reduce the cost of living in NI (which contributes to fuel poverty), including freezing domestic regional rates whilst a rebate for improving energy efficiency is under consideration.
- In November 2008, the Minister for Finance and Personnel reported that he had met with the Minister for Social Development, the Minister for Health, Social Services and Public Safety and the Minister for Enterprise Trade and Investment to take forward an action plan to develop proposals to combat the effects of rising energy costs with the aim of considering options for a response as part of the December monitoring round.
- According to DSD's Fuel Poverty Strategy, DFP – along with DSD and DETI -jointly funded a Community Energy Programme Co-ordinator to help stimulate and assist applications (including from housing providers) for grant support to install combined heat and power units (CHP).

What initiatives have been undertaken by the equivalent Department in other jurisdictions to address fuel poverty?

Is there any evidence of good practice in cross-Departmental co-operation?

In 2008, Welsh Finance Minister announced that £12m would be made available from the Strategic Capital Investment Fund to advance the 'HoV (Heads of the Valleys) Low Carbon Programme', designed to tackle fuel poverty.

DEPARTMENT OF ENTERPRISE, TRADE AND INVESTMENT

Does DETI have a statutory role in relation to fuel poverty? What role does the Department play in addressing fuel poverty?

DETI has a statutory role to develop and manage energy policy. At a departmental level this falls into three categories, as follows:

Energy Markets:

- To promote the strategic development of efficient, diverse, reliable and environmentally friendly electricity and gas industries in Northern Ireland and to develop mutually beneficial energy markets on a North-South, East-West basis.

Sustainable Energy

- To develop sustainable energy policy for Northern Ireland and raise awareness of and promote sustainable energy generally.

Policy Co-ordination

- To provide full and ongoing administrative support for Energy Division.

The Northern Ireland Authority for Utility Regulation is a Non Ministerial body, which exists independent from the Department. The Regulator's role, in relation to energy is:

- To protect the interests of electricity consumers with regard to price and quality of service by promoting competition in the Generation, Transmission and Supply of Electricity.
- To promote the development and maintenance of an efficient, economic and co-ordinated gas industry and to protect the interests of gas consumers with regard to price and quality of service.

The Department liaises with the Regulator on energy matters. Oil does not fall within the Regulator's remit. The oil industry in Northern Ireland is unregulated. The Regulator does not have a statutory remit to address fuel poverty, but does have certain statutory responsibilities which specifically relate to the protection of consumers.

In addition, the Consumer Council is a Non-Departmental Public Body, falling within DETI's remit. The Consumer Council's primary function is to *'to promote and safeguard the interests of consumers in Northern Ireland'*. Energy falls within the Council's purview.

Actions to eradicate fuel poverty:

The following statement from the Minister for Enterprise, Trade and Investment is in response to an Assembly question regarding actions taken by the Department to tackle fuel poverty:

Although my Department has no direct role in determining electricity prices, it strives in co-operation with the Northern Ireland Authority for Utility Regulation (NIAUR), to create market conditions that, over the long term, drive down electricity prices, with a view to minimising any tariff increases.

This has included establishing the Single Electricity Market (SEM) for wholesale electricity and opening of the retail electricity market in Northern Ireland from 1 November 2007, and supporting the mutualisation of energy assets where there is potential to benefit consumers.

Following significant increases in electricity tariffs in 2008, a review conducted by the Utility Regulator with NIE Energy resulted in a 10.8% reduction for domestic electricity customers in January 2009. A further review of tariffs is anticipated in the latter part of 2009. At present electricity tariffs in Northern Ireland are slightly higher than those in comparator regions in Great Britain, while remaining competitive in comparison to electricity prices in the Republic of Ireland.

Lead responsibility for fuel poverty policy lies with the Department for Social Development (DSD), although there are issues which cut across several Northern Ireland Departments. My own Department is represented on the DSD led Fuel Poverty Taskforce which is charged with developing and recommending proposals to ameliorate fuel poverty in Northern Ireland.

In January 2010, the Regulator launched a consultation which explored the possibility of introducing a social tariff - *Assisting with Affordability Concerns for Vulnerable Energy Consumers*. The following statement from the Regulator's website addresses the outcome of that process:

"We carried out a consultation on the subject and reported on the responses which were inconclusive on the matter. The Utility Regulator does not have the statutory power to introduce an affordability or social tariff. A decision regarding this is for the Northern Ireland Executive".

The Regulator's Social Action Plan 2009-12 states the following on the issue of affordability:

"Currently, the issue of financial vulnerability only applies to energy services as, at present, domestic customers are not billed for water and sewerage services. It should be noted that these factors are embedded in our thinking not only as part of our Social Action Plan, but also as part of our everyday work. Core functions of the Utility Regulator include activities which contribute to the work on reducing financial vulnerability, for instance: regulating energy suppliers through price controls ensuring that only efficient costs are passed through to customers; promoting competition in the energy markets; and encouraging more efficient use of energy and water."

The Social Action Plan also outlines a range of actions to be taken forward in a number of areas including encouraging competition in the retail energy market; price controls, metering; social tariffs; growing the gas network; and customer debt management policies.

7 ENERGY BROKERING: HARNESSING THE PURCHASING POWER OF THE GOVERNMENT ESTATE?

The energy brokering feasibility study report '[People Power](#)' (compiled by the Housing Executive, the Consumer Council for Northern Ireland and Bryson Charitable Group) recommended using local and central government procurement bodies to use their energy purchasing power as a 'base load' to leverage a better deal for domestic consumers under one contractual tariff arrangement⁶³.

The involvement of government in bulk procurement is an issue explored in a recent report published by the New Local Government Network⁶⁴. It explores a new initiative in the Netherlands known as 'Met de Stroom Mee', which the report states could be used as a model by local government to bulk purchase energy on behalf of its community. Met de Stroom Mee was set up by a private company to bulk purchase energy on behalf of consumers. It sought the registration of 10,000 households who agreed to let it negotiate on their behalf, directly with the energy companies.

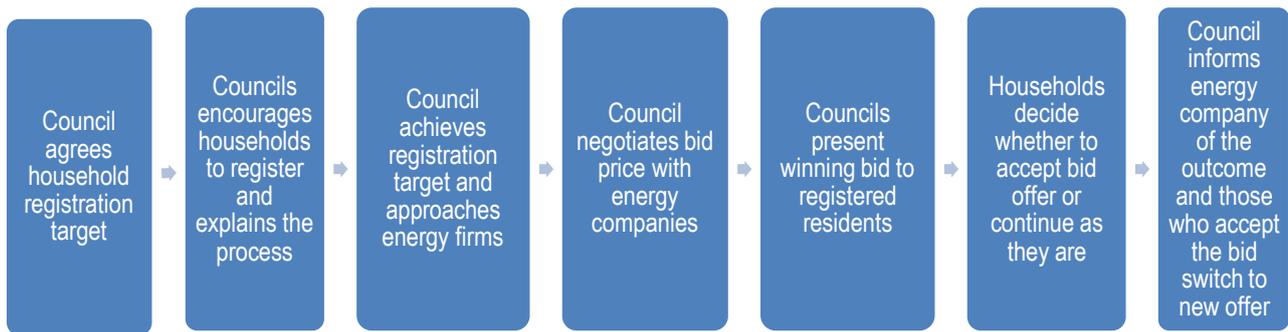
Using the bulk purchasing power, Met de Stroom Mee then went about securing bids from energy companies at much lower than the average cost of bills that households were paying. Once Met de Stroom Mee had decided on the most favourable bid, it was then sent to those who had registered for their approval. There was no legal requirement for the individually registered households to accept the bid and they could still choose to continue with their own arrangements. Out of the 10,000 registered households, a total of 6,630 decided to take up the bid and were reported to have saved an average of 300 Euro per annum on their household energy bills.

The report by the New Local Government Network '[Going Dutch: Local Government and Fuel Poverty](#)' argues that the local authorities infrastructure and strong community links, and recognition as trusted institutions make them ideal for facilitating similar initiatives for their communities. The report offers a model of how this may work in practice⁶⁵:

⁶³ Northern Ireland Housing Executive, Consumer Council for Northern Ireland, Bryson Charitable Group (2010) Energy Brokering Report, Feasibility Study, p5. www.nihe.gov.uk/energy_brokering_report_-_feasibility_study.pdf

⁶⁴ A think tank established to explore ways in which to modernise local government and to promote the decentralisation of power. www.nlgn.org.uk/public/about-nlgn/

⁶⁵ Scott-Smith, L. (2011) Going Dutch, Local Government and Fuel Poverty. www.nlgn.org.uk/public/wp-content/uploads/Going-Dutch.pdf



Think tanks such as the Institute for Public Policy Research (ippr) have also suggested that Government should become involved in bulk purchasing energy particularly for low-income groups and older people. In a report published in 2006, ippr highlighted that a significant number of vulnerable consumers use pre-payment meters and were not benefitting financially from payment methods such as direct debit. It urged Government to bulk buy gas and electricity for pensioners and the unemployed and then deduct the cost from income support and pension payments⁶⁶. However, issues such as the cost of administering such a model and other factors such as assisting vulnerable consumers who do not use prepayment metres should be considered.

There may of course be other ways in which government and other public bodies in Northern Ireland could use their purchasing power to assist residential households. A key question is whether Government should actually purchase energy on behalf of consumers or whether it should act in an intermediary or facilitator in the bulk purchase of energy, or whether it could do both. It is evident that more in-depth analysis is needed to evaluate the feasibility of government bulk purchasing models taking into consideration issues such as public procurement rules.

⁶⁶ Guardian. 'Think tank urges bulk buying energy to aid jobless and elderly. 10 April 2006. www.guardian.co.uk/business/2006/apr/10/money.oilandpetrol