



Northern Ireland
Assembly

Committee for Social Development

OFFICIAL REPORT (Hansard)

Fuel Poverty Thematic Action Groups:
Departmental Briefing

16 January 2014

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Alex Maskey (Chairperson)
Mr Mickey Brady (Deputy Chairperson)
Mr Jim Allister
Ms Paula Bradley
Mr Gregory Campbell
Mr Trevor Clarke
Mr Michael Copeland
Mr Stewart Dickson
Mr Fra McCann
Mr Sammy Wilson

Witnesses:

Ms Eilish O'Neill	Department for Social Development
Mr Michael Scott	Firmus Energy
Ms Claire Carson	Power NI

The Chairperson: I formally welcome Michael Scott, Claire Carson and Eilish O'Neill to the Committee. I know you have been sitting patiently there through our routine business. Obviously this issue is close to the Committee's heart, and Sammy has referred to it a couple of times in the past week or two. We had quite a significant initiative on it some time ago, which was essentially an engagement around the whole question of fuel poverty and the themes attached to that. Without further ado, Eilish, I ask you and your colleagues to take the members through your report.

Ms Eilish O'Neill (Department for Social Development): Thank you for the opportunity to come along this morning. I will start with some background. The fuel poverty strategy, which was published in March 2011, had an action that the Department would:

"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."

To that end, it was decided to amalgamate the fuel poverty advisory group and the interdepartmental group on fuel poverty — that group is chaired by the Minister — thus giving greater access, openness and discussion and a forum for exchanging information and ideas.

I will just put my glasses on; my eyesight is failing fast.

Following the publication of the Social Development Committee's report on fuel poverty in May 2012 and its recommendation on the thematic action group approach, the Department decided to divide the larger forum into a series of four subgroups, each one taking forward issues highlighted by the Committee and each tasked with the production of an action plan with targets and objectives.

In line with the objective in our fuel poverty strategy to consolidate and make best use of our partners, members of the larger forum were asked to look at the areas of work to be addressed by each of the groups, to determine which of those was of most relevance to their area of knowledge and expertise, to participate in the relevant subgroups and for each group, then, to nominate a chair. The groups then produced terms of reference and action plans for the group, and the chairs of each group report back on progress against those action plans to the larger fuel poverty group, which is chaired by the Minister.

The four subgroups are: achieving affordable warmth, which is chaired by Pat Austin from National Energy Action; prevention, which is chaired by Michael Scott from Firmus Energy; targeting, which is chaired by Claire Carson from Power NI; and opportunities, synergies and risks, which I chair. Copies of the action plans with updates and the terms of reference have been included in the briefing provided to the Committee.

At the Committee meeting on 3 October 2013, you heard from Pat Austin from National Energy Action, who is the chair of subgroup 1. In a few minutes I will hand over to Michael and then to Claire, who will speak about their respective subgroups. However, I would like to take a few minutes to update you on the work of group 4, which I chair.

The main positives from this group include the knowledge base and the experience of the members, who include representatives from DETI, the Housing Executive, the Utility Regulator, the Consumer Council, the University of Ulster and the DOE. It provides a forum for discussion, communication and information sharing.

My group has actions in relation to the scrutiny of the Green Deal. Our actions so far have included meetings and briefings with the Department of Energy and Climate Change, the exchange of information and reports with the Consumer Council and Consumer Focus, and the distribution of available information to members of the group to inform opinion and discussion on the potential application of a similar model for Northern Ireland. That is particularly relevant at the moment, given the work that is under way with the Strategic Investment Board as it looks at the potential for a loan scheme for energy efficiency in Northern Ireland.

We work with our colleagues in DETI as they introduce the Energy Bill. There is a requirement in the Bill for an energy company obligation, which is something that my group has been and will continue to be involved in. We seek opportunities for European funding for fuel poverty initiatives, although that has largely involved ongoing communication with the DOE desk officer in Brussels, who alerts us to any calls for partners. We have looked at the identification of barriers to households switching to other energy providers — the Consumer Council recently published a report that provided valuable information in this area. We are also obliged to consider the take-up of gas, and here, as well as the ongoing conversations within the group, the Utility Regulator has indicated that this research can be included in its forward work programme.

Another significant potential piece of work for us will be to monitor the impact of welfare reform on fuel poverty rates. However, as the groups have now been in place for 18 or 19 months, the Department has begun a review of the effectiveness of the present structure. All members of all of the groups have been consulted, and a report is being prepared that will recommend that the four groups amalgamate and go down to two, as duplication of work has been identified in some areas.

As you know, fuel poverty is impacted by three factors: the income of the household, the cost of energy and the energy efficiency of the home. We in DSD have legislative vires for only one of these factors, which is domestic energy efficiency. Much work is ongoing in housing division, as we look at targeting resources and the introduction of a new warm homes scheme. By way of illustrating the work that is ongoing within the Department since the Committee produced its report in 2012, we have reviewed the definition of "fuel poverty" and produced a severity index that identifies those households that are suffering the worst effects of fuel poverty. We have worked with the University of Ulster and OFMDFM to produce a GIS mapping tool to find those homes, and we are currently working with all 26 Northern Ireland councils on piloting an area-based approach to deliver energy-efficiency measures to those homes. We have introduced the boiler replacement scheme and we have conducted detailed assessments of the pay-as-you go for oil proposal and for the green new deal proposal. The work of

the cross-departmental fuel poverty group and the four subgroups complement the work of the Department as we take forward the actions from the fuel poverty strategy.

I will now pass over to Michael.

Mr Michael Scott (Firmus Energy): Good morning, everyone. My name is Michael Scott. I chair the prevention subgroup. To reiterate what Eilish has said, we have found benefit in the groups and subgroups as a mechanism for communication and the sharing of ideas, with members from different organisations — be they energy providers, the Departments or other agencies — coming together to formulate ideas and thinking about how to address and prevent pressures around fuel poverty. So, we have found it a constructive exercise to be part of.

As Eilish said, the group was charged with developing, and has developed, an action plan. The membership is quite diverse. We have members from DSD; the Utility Regulator's office; and the fuel poverty charity, National Energy Action NI (NEA). I represent the gas and distribution business on behalf of Firmus Energy.

We have been looking at priority areas, which we have been trying to condense through the discussions that we have had over the months. We have focused on three key areas. The first of the three areas that we have landed on and been considering in further detail is the one-stop shop approach through the NIDirect website. Essentially, the NIDirect website is in situ, but there are a lot of different agencies doing a lot of good work with a lot of good measures in place. However, where is the focal point for everybody in society to go to one key position to know what measures are in place and who provides what aid and grant assistance to those in fuel poverty? We would like to take that one forward and consider that measure through the NIDirect website.

We also looked at budgeting for oil — the prepayment option around oil — and improved energy efficiency. It is just through shared ideas between Power NI, us and NEA. We are coming together to ask whether we can actually do more with the schemes that we already have in place. So, one of the positives that we have seen from that was the boiler replacement scheme, where there is £1,000 grant assistance. We add in £300 assistance to that to give additional help to those in need around the boiler replacement scheme. The group agrees with Eilish about consolidating some of the subgroups and taking more of a targeted approach, identifying a key area to take forward into the next phase. Our recommendation is to take the one-stop-shop approach and target activities through the NIDirect website. I will pass you over to Claire.

Ms Claire Carson (Power NI): Good morning, everyone. I am Claire Carson from Power NI, and I am the chair of the targeting subgroup. I will take you through the three main action areas that we focused on and what has been done and worked well to date, with a few improvements or recommendations going forward. Our group, as I said, focused on targeting and included members from the DSD, NEA, DARD and the Consumer Council. Our group provided a brilliant forum for us for sharing information and inputting into the targeting approach.

One of our first actions was to review the area-based approach, which Eilish mentioned, and which you are familiar with. Overall, our group is very supportive of the pilot. We provided input into recommendations for improvements, including everything from the original survey that was issued right through to the measures that were installed in people's properties. We feel, as a group, that the targeting pilots worked well, and the subgroup was kept well informed by DSD. The group is certainly supportive of this approach being rolled out, and we are keen to see how it can be implemented or incorporated into any future grant programmes, bearing in mind that there needs to be scope for vulnerable customers who possibly fall outside the targeted areas. We commend DSD and the Committee for undertaking the pilot.

Our second action area was a review of other targeted approaches. As a group, we met people from the maximising access in rural areas (MARA) programme in the west of the Province to gain an understanding of how they approach their targeting and how they rolled the pilot out across 13 different zones. We found the information extremely useful. It identified key learnings for any future targeting approaches — everything from a project management structure to the benefit of having an appointed lead organisation to take the project forward.

We also focused on funding. As a subgroup, we were well aware of the energy saving schemes that are available, with some of us even involved in the delivery of those schemes, from the warm homes scheme and boiler replacement through to the range of Northern Ireland Sustainable Energy Programme (NISEP) schemes available.

Similar to the point that Michael raised, our group recognised the need for a joined-up approach to all the funding streams. We need to make it easier for those customers most in need to avail themselves of the range of schemes that are out there. It is key that any scheme administrator taking forward this approach refers a customer to the best scheme. For example, with Power NI's energy saving schemes, if a customer comes to us for a measure, we always ensure that it is the best scheme for them and always check, in the first instance, that they do not qualify for warm homes, and if they do qualify, we direct them to that scheme if it is the most appropriate for them.

Our final thoughts as a group were that we found all the activity to be very positive and a useful forum for us to share information. Certainly, the main focus was on energy efficiency, but it is also important for us to realise that energy efficiency is only one aspect of fuel poverty. Low income is also a driver of that. So, while the energy efficiency work is positive, it cannot, on its own, provide a total solution. We certainly support continuing to work with DSD to see whether there is scope for a more joined-up approach as the pilot develops further.

The Chairperson: OK. Thank you. I have a couple of points to make before I bring in other members. Just to remind ourselves, some time ago, the Committee hosted, as you know, a stakeholder event, which everyone thought was quite helpful. That brought together, I think, 90-odd stakeholders, which was certainly a sizeable number, from all the Departments and stakeholders like your own. That was all very helpful. The Committee then adopted the position of taking a thematic approach, and that coincided with the Department's view. Whether we agreed on the specifics of each thematic group did not really matter; the Committee's focus was on the need to have a joined-up approach to tackling the problems and, in fact, to tease out, sometimes, competing arguments. Some of the key stakeholders might have said that you need to do A, while someone else might have said that that would not actually help or whatever. So what we wanted the working groups to do, through the thematic approach, was work their way through what might be barriers or good initiatives, and we know that there are a number of both. In my simple mind, I would like to see somewhere a table that says, "We identified an issue that we all agreed was a good idea, and we are moving ahead with it. So that has been ticked", or "We identified an issue, but we do not agree on that". You know the point that I am making. It is about ending up with a report that says, "Here are the things that work and need to be taken forward, and this is who needs to take that forward". I am seeking a wee bit of a view on that process.

In one of the last sessions that we had, Pat Austin, as chair of one of the groups, expressed some dissatisfaction around the working groups' structure, support, effectiveness and so on. What I am hearing this morning is not the opposite, but certainly a positive view, which is fine. Without personalising it to Pat, have you any comment to make on Pat's view? She said that there were resource issues and so on and so forth.

Ms E O'Neill: The work that we are doing in looking at the groups will involve pulling together the work that all four subgroups carried out, putting that into a report and then looking at the actions that need to be carried forward. When that piece of work has been completed, we will provide the briefing to you so that you can have a look at it. All the meetings were minuted, so there will be an accurate record of the conversations that took place.

What we tried to do when we established these thematic groups was to involve people such as energy providers and energy lobby groups, and give them some ownership and responsibility by asking them to be chairs of the groups and drive forward the groups' work. However, everybody realised that, at some point in time, the Department, as the Department responsible for domestic energy efficiency, would be best placed to drive through a lot of the actions through, so that would mean that, when there was a realignment, we would take over the chairing of the two groups but still maintain the members that we have. You could see, as each of us was reading out the list of attendees, that there is duplication. Those Departments tend to have a limited number of people who they can send along, albeit it is very valuable to have them around the table.

Without personalising it to the comments of the chair of subgroup one, there may have been a feeling that there were actions that an individual or a member of a lobby group could not take forward and that needed to be taken forward by the Department. That may have been the basis for it; I am not really sure. We were trying to divide responsibility. If that has not worked in a particular case, we will look at that.

The Chairperson: In terms of the progress and evolution of this, I am still struck by the comments of Linda McAuley from BBC radio when she attended our stakeholders' event. In fairness to her and the

BBC, they gave that event a fair wee bit of positive coverage, but she did say to me at the end of the interview, "That is all very well, but, in six months or a year, what will you be able to tell us you have done?" I was just struck by that. I am waiting on a microphone coming from Linda McAuley some of these weeks to say, "What is happening with this fuel poverty business? It is getting worse, or whatever?" Do you know the point that I am making?

Mr F McCann: If it was not going to happen, it will happen now. *[Laughter.]*

Mr Wilson: What is her phone number? *[Laughter.]*

The Chairperson: I am just reminding her that I was listening intently to what she was telling me.

Mr Scott: We mentioned the 40% of people in fuel poverty; that is the scale of the problem. It can be frustrating to see progress and see what we are doing. If there are three levers around fuel poverty, it seems that, as one is getting sorted or getting better, another lever is pulled and there is a dip down into further fuel poverty. As we have been saying across the four chairs, it is only by working together and continuing to work to come up with solutions and trying to deliver against solutions that it will get better. That is what we are aiming to deliver against.

Mr Wilson: But it is not getting better at the minute, Michael; that is the point.

Mr Scott: That is the thing. We have to do more.

Ms E O'Neill: The Utility Regulator, when she took up her post quite recently, said that high energy costs are here to stay. There is government investment to install energy efficiency measures in properties across Northern Ireland, but then, when there is a hike in energy costs, that work is negated to a large extent. We are trying to ensure that the most vulnerable homes are as energy-efficient as they can be. The factors around energy costs continue to cause great concern to all of us.

You made a point around wind farms and increased energy costs. Every year when the warm home discount payment is made, we receive letters from pensioners and other people who live here asking why they do not get that payment. We refer them on to DETI because it is appropriate that DETI answers those queries. Within our subgroup, we have asked Power NI and DETI to look at whether we would be able to make a payment similar to the warm homes discount payment. However, that would increase everybody's energy bills in Northern Ireland by around £38.

Ms Carson: That was the very rough figure. It needs to be worked on a wee bit more.

Ms O'Neill: That can be a tipping point for a number of people. The 42% may become 46% because you have increased the bills. Those are serious concerns.

Mr Brady: Thank you very much for your presentations.

The point about targeting has been raised before. While the boiler replacement and warm homes schemes are good schemes, it is not always the most vulnerable people who need it who are targeted, because of the costs involved. That is something that I have raised before. The additional cost, for instance, for building control would be £72 or £86, depending on the particular circumstance. They are good schemes — warm homes is the same — but they do not always reach the people who most need it. Low income is one of the driving factors in fuel poverty, because if you are in poverty, you are in poverty, and therefore in most cases you are in fuel poverty. That is part of the difficulty. It is about that joined-up approach so that the groups involved, and particularly the Department, see the most vulnerable groups that are affected and then transfer attention to ensuring that the schemes apply to them. You could get somebody who might qualify for boiler replacement, but because they do not get the full grant, they are left in the position of maybe £200 or £300. It is about tipping points. It may seem a small amount of money to some people, but, to others, even that £38, £40 or a couple of hundred pounds is a tipping point and they simply cannot access the scheme. It is important that that is realised.

Mr Scott: That is one of the things that we have been doing with the £1,000 and the boiler replacement scheme. We add £300 of our own money, which will come back. It is a regulatory allowance; it will come back over the lifetime of the 30-year licence that Firmus Energy has. It is just to add that little bit more to get to the tipping point so that there is less of a contribution from the

household itself. It is measures like that, through talking with the Utility Regulator, in the forum and with DSD and DETI and formulating some ideas so that some tangible deliverables come out the other side. That is what we need to build upon.

Ms Carson: Certainly in the range of energy efficiency schemes that we run through Power NI, we work with a network of referral partners across Northern Ireland to try to find those people who are maybe more isolated. Those partners are out on the ground and would know the people in their local area who need to come forward to benefit from, for example, a free heating scheme. We try to work as hard as we can with local people on the ground to find those people.

Ms E O'Neill: As you know, we completed the first phase of our pilot, which uses the GIS mapping tool, and we briefed you on that. It has been evaluated, and proves that we are finding the homes where people are on the lowest income and have most need of energy efficiency measures. The next stage is testing how councils, using the maps, go in and knock on doors and encourage people. You would be amazed at the number of people who need the measures and are eligible for the measures but who say no. It is really frustrating.

Mr Brady: There are also issues around benefit take-up in terms of pension credit; obviously it is older people who are not taking that up. If and when Transforming Your Care is rolled out, where the whole ethos is to keep people in the community, that will become even more important. Statistically, our elderly population will have doubled by 2020. That is what we are told, anyhow. It will become more urgent that all that is dealt with relatively shortly, within the next few years.

Ms E O'Neill: We are hopeful for the new model, where councils will be very proactive in encouraging people to take up the measures. The next stage of the pilot looks at how we can deliver those measures. We are trying a different delivery approach where we open it up to local installers as opposed to having one or two large contracts. That is what is being tested at the minute. We hope to be coming to you soon with a consultation document, just before we go out to public consultation on the proposal.

Mr Clarke: I think Eilish stole my thunder on this one. I take Mickey's point that some people are difficult to reach and that we do not reach everyone we should, but we are reaching a lot of people who do not actually want the service that is going to be provided. It is a difficult balancing act. You may have 40% of people in fuel poverty, but sometimes even those in fuel poverty do not want to help themselves when the help is there. That is one point.

My other point is one that I get a bit precious about. You named some groups. I have been in politics since 2005, and some of those groups are hardly known to me, and I represent an area, so how are those who are hard to reach going to know about them? Take the likes of MARA. I have known MARA only in the past 12 months, when it came to us for some information on constituency problems. Sometimes, we put too much focus on those. Councils are probably better charged with the role. I am a former member of Antrim council. We had two girls who were very dedicated and were on the doors regularly in socially deprived areas. Michael, you would probably relate to that in terms of the work you have done in Antrim. Sometimes, the money is spent in the wrong areas, and the wrong people are doing the job to try to encourage people out of fuel poverty. I had a case this week where the Housing Executive wanted to put gas in someone's house, but they do not want it. There is a suspicion of gas, as well. The fact is that people like that are in poverty, but they do not want to help themselves to get out of poverty. It is about education. The Department should look at who is actually taking the lead in some of the roles. Councils are better charged because of their knowledge of the local area. Maybe there should be a piece of work from DSD to look at which councils are doing better jobs and to try to find out where the good practice is.

Ms E O'Neill: As part of our pilot, the working with councils worked really well. We hope that in the new model there will be a proportion of funding going to councils to allow them to go out on the ground and use the maps to go into the areas. One of my team spent a day with the council on this phase of the pilot. They were knocking on doors. The council official had been at a particular property three times because there was a very elderly lady who needed a lot of measures done to her house. He kept going back. There is a call then about the stage at which you are badgering an individual, but he was really just trying to encourage her. He brought a member of my team with him, and she was so impressed by the time and effort the council official spent in encouraging that lady, who eventually said OK. What really was putting her off was the thought of the upheaval to her home; she did not like the thought of people she did not know coming in and out of her property. Was she going to have to leave her home. How much upheaval was there going to be clearing out her roof space? Small things

can prevent people from taking up the measures. It will be a fine line between how much we pay for the administration of a scheme that finds people and encourages them, and how much is spent on measures. That is the issue that we are teasing out at the minute.

Mr Scott: In the development of the gas network outside of Belfast, when Firmus Energy first brought natural gas to Derry, Strathfoyle was the first housing estate. There was quite a lot of reticence there about getting connected to natural gas. We had quite a lot of work to do in the Strathfoyle area, but that has really turned around now. Some great work was done by local representatives as well, who gave some encouragement to the local residents. It is taking time. That was eight years ago. It is just one of those things that is ongoing as we go into new areas. People still have some of that reticence. It may be dwindling, but more work needs to be done.

Mr Clarke: That is the point I am trying to make. It is about who faces the public. The elderly population, by their very nature, are suspicious anyway. There needs to be familiarity with the people on the doors to try to encourage them. Without harping on about the Antrim model, the two girls on that team are very dedicated and very precious about what they have done. They have gone into homes and converted people. Sometimes, the wrong people are engaged in the process. An awful lot of thought needs to go into who that is. Money is spent on organisations such as MARA. To be honest, I do not really see an awful lot of worth in it.

Ms E O'Neill: MARA is a DARD initiative that we are involved in. My Department sits on the project group because one of the advice services that it provided was around fuel poverty and the availability of different schemes. I do not have a great deal of knowledge of it, although some of my colleagues attend the MARA project.

Mr Dickson: Overall, I appreciate what you are doing to renew and refresh yourselves and to make sure that you are focused and targeted on reducing the *[Inaudible.]* good sense. It is back to what actually happens on the ground and how things are delivered. For example, you said that, as an action in the fuel poverty prevention action plan, within one year you would engage the home heating oil sector to look at alternatives to high-priced drums of oil. My experience on the ground is that you must have completely and utterly failed in that, because you cannot turn to any local shop in east Antrim but you find drums of oil stacked up outside. You now have petrol stations selling it. Last night, I saw a man struggle to fill two drums at a local petrol station and hoick them into the back of his car. What was the engagement? I ask because it has clearly failed, and you have not achieved that within a year. Drums of oil are for sale everywhere.

Another issue is the high price of domestic fuel oil. In a recent court case, we saw that oil fraud — selling somebody short by not delivering a few litres — is now an issue, and a recent case in the press involved a commercial user being sold short by quite a few hundred litres. How can the domestic user be assured that they get what they buy? Again, this goes back to what action is being taken on delivering less oil. Most companies' minimum delivery is 500 litres; some offer 300 litres. Can you, for example, supply smaller amounts? What about encouraging community buying to drive down the price? There are some amazingly good schemes, including one in my constituency. However, that has fallen through because its very active organiser has decided that, for various reasons, he can no longer be the organiser and there was nobody else to take it on. He operated a spreadsheet and kept a record of all those in the community who wanted to buy oil. He and his wife rang round the local merchants to drive down the price. Frustratingly, the scheme is no longer because the couple are not in a position to continue.

The councils have done a good job in encouraging a range of things. However, as they go through transition and form new local authorities, is there an appreciation that, although the responsibility and remit may still be theirs, a gap will be inevitable? That is because the reorganisation of who will do what and how councils prioritise their functions, along with the massive change and staff turnover, means that we are moving into an unstable period rather than a stable one during which to encourage councils to act.

Finally, there is the frustration of communities that cannot get domestic gas because pipelines bypass them, which is an issue for Phoenix, not Firmus.

Mr Scott: I am happy to deal with and speak about that.

Mr Dickson: It just seems that the rules and regulations are overly complex and bureaucratic and prevent a community from having domestic gas that would benefit them incredibly.

Ms E O'Neill: You take that question.

Mr Scott: If a community is not in the Firmus Energy licensed area —

Mr Dickson: It is not.

Mr Scott: That is fine. I will explain about the stretch of pipeline outside greater Belfast, from Antrim to Londonderry and back down from Antrim to Newry and Warrenpoint. We target areas. Large industrial and commercial customers anchor loads and draw gas into their area. We work closely with the Housing Executive, with housing associations when there is newbuild housing and with developers. Not long ago, I was in Bessbrook near Newry, which is an area newly opened up to natural gas.

As I say to people in our licensed area, our yearly capital spend is about £10 million, and our operational spend is about £5 million. There is a limit to the bucket of money that we have available, so it is about targeting areas. We have been through a distribution and pipeline price control with the Utility Regulator. Within that are incentive mechanisms that we are looking at. That was released just before Christmas and is aimed at incentivising operators to look at infilling to grow customer numbers in areas where the operators, including Firmus, would not traditionally have been. Our customer numbers are growing considerably. Our original business plan was to connect about 2,000 domestic customers a year; we currently run at a rate of about 4,300. That is encouraging, but there is a lot of demand given the current differential in gas and oil prices. We are confident and hope that the gas network will continue to grow and expand into areas such as those that you mentioned, Stewart.

Ms E O'Neill: For members' information, the Oil Federation attends the larger fuel poverty groups, so there is a representative there. We raised the issue of the price charged for oil drums with Trading Standards to see whether anything could be done to monitor that. Oil is not regulated, and we were told that there was not really anything that could be done.

The Department researched the price charged for oil drums right across Northern Ireland. We found some places where a drum of oil could be delivered for the same price per litre as a delivery of 500 or 900 litres. The number of such places seems to be growing because of competition in the area. However, that is not ideal either. Some of our concerns are about safety: for example, how on earth would an elderly person get oil from a drum into his or her tank? Our work also identified other places that charge extortionate prices, but people use them. That is why we were so keen to look at the pay-as-you-go proposal made to the Department to see whether there was a way that we could help people to budget for oil. There are many oil stamp saving schemes, and the Oil Federation tells us that people can now pay for oil through direct debit, oil stamps or PayPal. So there are different mechanisms whereby people can budget for oil.

Having looked at the pay-as-you-go proposal, we reported back that although the business case was for a really good idea, and we saw the pilot operating, there were very large costs associated with it. There would also be an additional price per litre of oil to the person using the facility. So, in one way, having the technology to help people to budget was good, but they were going to have to pay extra per litre of oil to have the facility to help them to do so. When the proposal went to our economists, unfortunately, it did not stack up.

You asked about councils. The timing of our conversations with councils is not great because the existing contract ends in June, which means that we have to move to a new model. However, we do not want, just because there may be some difficulties with the reorganisation of councils, not to develop something that we think has the potential to be a really good scheme.

Some councils have also said that the timing is not great but they are happy to work within the parameters. The vast majority of councils are very keen to take forward what they see as a really good service to deliver for the people in their borough. Only one or two councils said that they were a bit worried about the timing because they were getting a lot of other work.

Mr Wilson: I will pick up on the council issue first. Larne council, for example, pays groups to do some of the administration for the bulk-buying schemes. It is only a small amount, but, very often, it enables them to get a computer on which they can keep records and so on. All of that has to be done on a voluntary basis. I just want to explore that as an option. It is patchy across council areas, but, with the reorganisation of councils, is there a chance now to talk to them to see whether this can be integrated into their future work? I think that many of them will be looking for a bigger role anyway.

Could councils play a role in a pay-as-you-consume scheme? Sometimes, they might even have contact with local groups that already buy in bulk, so that could be tied in. Would that cut down the administrative costs? I do not know how it becomes so expensive administratively that it is prohibitive, but could councils be encouraged to look at a strategy? It could be a strategy to support groups that organise bulk buying or a strategy to help them to encourage people, with whom they already have contact, to use a pay-as-you-use or fuel stamp scheme, which could be administered by the council. Is that a possibility? Might some of your energies be directed towards that?

Michael, my next question is one that I wanted to ask you. Phoenix tells me that the Utility Regulator is the one who stands in the way of expanding the pipeline because he allows only limited additional capital to be invested. However, there are still places where licences exist and pipelines have not been extended. I understand that you do not install a pipeline where you have no demand, but I can think of one place in my constituency where the stock answer to my asking what is being done to generate more customers is this: "There are not enough people". Nothing would have been done had it not been for the local community association and our own councillors going around doors to tell people that, if they register, there is the possibility of having gas as an alternative to oil or electricity. That was not being done by the companies that you would think had a market incentive to do so. Can more be done by energy companies? Where there are gaps and energy companies have permission to extend the pipeline, can they do more to try to recruit customers?

Mr Scott: The Firmus Energy licence is referred to as a "10-towns licence", although that covers towns and cities, of which there are more than 10 now. Over the past number of years, what we have done in, for example, the vicinity of the South/North transmission pipeline or the north-west transmission pipeline, is look at whether there are other areas that we could go to. Sometimes, misinformation is put out, such as that Firmus Energy is not interested in connecting domestic customers — we are. As I said, we now connect 4,000 domestic customers each year.

Over the past number of years, we have extended our gas network into new areas that either were not in our licence award area or were not in the vicinity of the pipeline. We have built the pipeline out to areas such as Portstewart and Warrenpoint. We had a pipeline as far as Newry, but we extended it to as far as Warrenpoint to connect the likes of SCA Packaging. I mentioned Bessbrook, where we are coming off the Newry pipeline to go into an area where there is a concentration of housing association properties. It was not in our licence area, but we worked with the Utility Regulator and turned that one around — in fact, Mickey did a lot of work with us on that. We have done a number of such extensions and hope to do a number more. It is only by building a larger gas network that we will continue to connect more customers and grow our business. As we extend the network, gas will become more available to other households. The feasibility and economics of connecting more households will stack up better in that situation. We have had a positive relationship with the Utility Regulator in granting approvals to us, which we welcome.

Mr Copeland: Forgive me if I sound a little cynical. I am not naturally cynical, but I am becoming increasingly so. I want to predicate what I am about to say on a conversation that took place in my constituency office last Saturday morning. A woman, who had been in my class at school until about the age of 14, arrived. She told me that her partner of 26 years, a former policeman and prison officer, died last winter. The cause of death was hypothermia, with no underlying conditions — he died of the cold. The day he died, I happened to be in another property. In that property was a young person who had an entitlement to jobseeker's allowance of just over £50 a week. That is fine because, according to the Government, you can live on £50 a week. The problem was that she had been sanctioned for over six months of the previous year. Consequently, the £50 a week had been cut to £25 a week. She was in a modern, third-floor flat that conformed to all the insulation requirements and everything else. Admittance had not been gained to check the carbon monoxide monitor, so the gas had been disconnected. It had no electricity because there was no money for electricity, and there was ice on the inside of the windows. That individual was — honestly, as true as I am sitting here — making toast by candlelight.

My point is that she was not helped out of fuel poverty by the action of anyone in government. She was put into fuel poverty as a consequence of the actions of other Departments. If someone is sanctioned for not attending a scheme or whatever, is there a method by which that person is pointed to somewhere that will at least enable them to keep warm? Identifying people in fuel poverty is not that difficult. If you knock every other door in four wards of my constituency, you will find someone in fuel poverty. No matter what we do and no matter what we spend, any variation in the wholesale and retail price of fuel negates it. We have to look at the long term, but the short-term priority is to prevent people who are most at risk of fuel poverty from dying.

I am also quite concerned that there may be a further threat in the future because of some carry-on to do with an interconnector. I cannot remember the exact details, but I understand that an interconnector of some description will require a substantial amount of money, and it is foreseen that the cost will be passed on to retail customers.

Lastly, and forgive me for this, I am not sure that monitoring the impact of welfare reform on fuel poverty is what we should be doing. We should try to predict it and take whatever steps that we can to mitigate it. In the case that I referred to — the young person living on, essentially, £25 a week — the truth was that there was an honest entitlement dating back over seven years to almost £400 a week. However, nobody thought to ask the question or guide her. They simply put the case in the DEL silo: this young woman was unable to attend a DEL scheme, Steps to Work, and was asked why. There were underlying issues. All the information was there, and all that somebody had to do was read it. That is not an isolated case.

The Chairperson: Some of that is not —

Mr Copeland: No, but it is —

Mr Scott: It is a tragic situation.

Mr Copeland: The problem is that it is not unique.

Mr Scott: Absolutely.

Mr Copeland: It was occasioned by one wing of government acting in a way that runs contrary to the stated Programme for Government aim of reducing fuel poverty.

Mr Scott: We are finalising an initiative with the likes of Bryson Energy, which involves going out to the more vulnerable households, which are identified as those with people registered on "firmuscustomeercare", which is our older person's register. We are going out to those households to help with energy efficiency advice and physical assistance. It is easy to tell people to turn their boiler up or down when the clocks change, but it is not necessarily as easy for them to understand where their gas meter and boiler are and how to do it. We are finalising our engagement with Bryson Energy, which will contact customers on our register so that they can adjust their boiler and carry out a benefit entitlements check. We are talking to Eilish and DSD about how, as Committees and groups, we could share our learning from that type of exercise to roll it out further afield. We can do some of that with our customers in our network area, but it is about how we do more things like that and provide some practical, physical assistance to vulnerable customers in their home.

The Chairperson: Michael, you have drawn attention to a couple of severe cases. That spurs us all on to try to make sure that we do our best to maximise improvements for everybody.

No other members have indicated that they want to speak. Eilish, Michael and Claire, are you happy enough that you have made your presentation and given us the update?

Mr Scott: Yes.

The Chairperson: It has been quite positive, which I welcome on behalf of the Committee. Thank you very much for being here this morning and dealing with members' questions. Good luck with your ongoing work on the issue.