

Assisting with Affordability Concerns for Vulnerable Energy Consumers

April 2010

Introduction

Citizens Advice is the largest advice charity in Northern Ireland working against poverty, meeting the information and advice needs of some 92,000 people per year and dealing with over 324,000 issues.

Citizens Advice Northern Ireland has formal links to National Citizens Advice in England and Wales and close working relationships with Citizens Advice Scotland (CAS). Together the three associations constitute the largest advice network in Europe, with over 60 year's experience of providing advice and information to the public. Citizens Advice also works in partnership with the Citizens Information Board in the Republic of Ireland to provide cross border advice and information.

The CAB network is very finely tuned to the targeting of social need and, with its regional spread, modern integrated IT infrastructure and skilled staff, represents an efficient and cost effective channel for the delivery of information and advice to the most socially vulnerable people in Northern Ireland.

Access, inclusiveness and principles

Advice is provided on a huge range of issues by trained, specialist advisers across both main communities and to minority groupings from 28 main offices and from some 120 other outlets within the framework of 4 principles. The advice given is:-

- free;
- impartial;
- confidential; and
- independent.

To ensure that advice and information are as accessible to as many people as possible the services of Citizens Advice are available through local CAB offices, online at www.adviceguide.org.uk, by e-mail, by telephone and in many community venues such as health centres, hospitals and community centres. In addition, the majority of CAB offices also provide home visits for those who are unable to access their local office due to health problems.

Outlined below are some of the specific projects with CAB which, among other things, work to alleviate fuel poverty in Northern Ireland

SSA Benefit Uptake

In June 2008 Citizens Advice was awarded a tender to increase the uptake of social security benefits for vulnerable people in Northern Ireland. Since 2005

an additional £27 million of annual benefits and arrears has been paid to Social Security Agency (SSA) customers through benefit uptake programmes.

The Benefit Uptake project aims to assist some of the more vulnerable client groups across Northern Ireland, a substantial number of whom required additional support to maximise their benefit entitlement. Many were at risk of, or already experiencing poverty and social exclusion.

In 2008 Citizens Advice became the sole provider of the Benefit Uptake Programme. Upwards of 25,000 customers were contacted under the three categories as part of the project. This programme resulted in an additional 1,800 claims for benefit being identified which amounted to £5.7 million annually. People who benefited from the project were on average better off by £50 per week with average arrears of benefit of £822.

This project specifically signposts clients towards eligibility and entitlement under the Warm Homes Scheme. The Scheme, which was introduced in 2001, has been a primary tool in alleviating fuel poverty and increasing energy efficiency.

Dealing with Debt

The Dealing with Debt Money Advice Service has been running since April 2006 when Citizens Advice was awarded a two year contract by DETI to provide face to face money advice across Northern Ireland. In 2008, Citizens Advice was awarded a further 3 year contract to March 2011.

Over the period of 2006-2009 the service assisted close to 6,500 people and handled over £52 million of debt. Statistics for 2008/2009 clearly show that over 2,400 new clients have been assisted with their debt problems, an increase of 20% on the same period the previous year. Many of these 6,500 debt clients will be experiencing fuel debt, or are struggling to pay their fuel bills at the expense of other debts.

NIE for your Benefit

Citizens Advice has been working closely with NIE Energy for more than ten years with regard to projects that include benefit maximisation, energy advice and debt advice. We currently enjoy a good working relationship with NIE Energy which in turn benefits clients. Following a successful evaluation of benefit take up pilots, NIE agreed a three-year benefits uptake programme with Citizens Advice until December 2010. The purpose of the project is to carry out 2,400 benefit enquiry checks over the duration of the project which involves assessing if a client is entitled to additional benefits that they may not be aware of and also to refer willing clients for an energy efficiency check.

NIE will write to a section of its customers inviting them to contact a dedicated Citizens Advice telephone number for a free benefit enquiry check. The customer's details will then be passed to their local CAB where an adviser will contact them to carry out the check. The aim of the project is to help reduce the existing high levels of fuel poverty in Northern Ireland.

Response

Citizens Advice Northern Ireland is pleased to take this opportunity to respond to the Utility Regulator's consultation document on affordability concerns for vulnerable consumers.

Citizens Advice supports National Energy Action in its call for the provisions of the Energy Bill to be extended to Northern Ireland. This would enshrine in law a requirement on Energy Suppliers to provide help and assistance to customers with the aim of reducing Fuel Poverty. NEA NI believes the Northern Ireland Authority for Utility Regulation should hold similar powers outlined in the Energy Bill.

Accordingly, The Utility Regulator for Northern Ireland will need to be endowed with sufficient powers to ensure that it can develop and oversee affordable energy schemes and social tariffs without being accused of exceeding the limit of its powers or acting outside its remit. CAB is pleased to support any required legislative amendment or alteration to the Regulator's powers to ensure that it can actively and effectively assist in the reduction of Fuel Poverty in Northern Ireland.

The consultation document seems to suggest that the Regulator's short term objective should be to reduce concerns about the affordability of electricity here. CAB recognises that the cost of electricity and the reliance of some people in Northern Ireland on Economy 7 as the method of heating their home dictate that this should be an issue of paramount importance. We are keen to see this issue addressed. However, we are continuing to press for the inclusion of both the gas and oil industries in any planned affordability scheme. The reliance on oil as the only method of heating for the overwhelming majority of the NI population means that, should oil be left out of any such scheme, many people will not feel its benefits.

Citizens Advice feels that it will be the Regulator, in conjunction with its stakeholders, who is best placed to develop and investigate the potential impact of any planned social tariffs.

CAB supports the proposition put forward in NEA's response to this consultation document that Older People in receipt of the guaranteed element of Pension Credit should be targeted for any affordability scheme. This is because the systems are already in place to enable us to identify and communicate with this group of people. The success of any potential affordability scheme will depend on the development of a strong Partnership between the independent third-sector and energy suppliers and the Regulator. Changes to current services, however beneficial are often resisted by clients, in particular the elderly or vulnerable clients whom we are most keen to target. Receiving advice and information from a trusted source of help will provide certainty and a willingness to accept change among clients.

Advice agencies will also be best placed to look at each client on an individual basis, assess their financial needs and obligations and provide them with the necessary information and advice to suit their individual circumstances.

Citizens Advice in Northern Ireland has many existing partnerships and links with other organisations and Government departments. Some of our highly successful projects are detailed in the opening section of this response.

CAB is happy to work with energy suppliers, the NEA and NIAUR to achieve the smooth and efficient establishment of any proposed pre-payment plan.