



Response by the Northern Ireland Fuel Poverty Coalition to the Utility Regulator's Draft Forward Work Programme 2017/2018

February 2017



The Northern Ireland Fuel Poverty Coalition welcomes the opportunity to respond to the Draft Programme for Government Framework 2016-21 (PfG) consultation paper.

We commend the Northern Ireland Executive for adopting this outcome based approach, however, its success will depend on establishing the right outcomes, indicators and action plans to support the framework.

About the Northern Ireland Fuel Poverty Coalition

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

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

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

The Cold Hard Facts

- Over 300,000 (42%) households in Northern Ireland live in fuel poverty, the highest proportion of fuel poor households in the UK¹.
- 33,000 households are in extreme fuel poverty, needing to spend more than 25% of their income on all household fuel use².
- 870 deaths in 2014-15 across Northern Ireland were directly attributable to vulnerable people living in cold homes³.
- Around 68% of households in Northern Ireland are reliant on Home Heating Oil to heat their homes; an unregulated fuel in terms of price and vulnerable consumer protection⁴.
- Based on a conservative estimate, Northern Ireland domestic energy consumers have contributed well over £150m to the Treasury over the past 5 years⁵.

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

² 33,000 households are in extreme fuel poverty, needing to spend more than 25% of their income on all household fuel use. University of Ulster, 'Facing Fuel Poverty in Northern Ireland' June 2013. Pg. 5. http://uir.ulster.ac.uk/27679/1/AWP1_REPORT_FINAL_TYPESET_COPY.pdf

³ 870 deaths in 2014-2015 across Northern Ireland were directly attributable to vulnerable people living in cold homes. Data taken directly from Northern Ireland Statistics and Research Agency: <http://www.nisra.gov.uk/demography/default.asp32.htm> 30% of total figure directly attributable deaths from cold homes as specified by World Health Organisation research

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

⁴ Around 68% of households in Northern Ireland are reliant on Home Heating Oil to heat their homes; an unregulated fuel. Figure as defined by research from the Consumer Council: <http://www.consumerCouncil.org.uk/energy/home-heating-oil/>

⁵ Based on a conservative estimate, Northern Ireland domestic energy consumers have contributed well over £150m to the Treasury over the past 5 years. "This calculation is based on estimating the VAT derived from domestic electricity and gas sales in NI. This analysis is based on conservative estimates of household energy



The Consequences of NOT Addressing Fuel Poverty are Significant:

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

The recognised benefits of acting to end fuel poverty are:

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

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

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

consumption, does not include VAT derived from the use of supplementary or secondary heating or any contribution from VAT on non regulated fuels such as domestic heating oil which is clearly the predominant fuel for domestic heating in NI".



The Northern Ireland Fuel Poverty Coalition Response

The facts and figures above outline the overwhelming problem and invidious nature of fuel poverty. It is a unique and distinct problem and one that requires a range of interventions across the various government departments. As such we welcome the opportunity to comment on the Utility Regulator's (UR) Draft Forward Work Programme 2017/2018 and would particularly wish to highlight our concerns in relation to the Northern Ireland Sustainable Energy Programme (NISEP).

We understand that the NISEP was extended until March 2018 and was due to be replaced by the EnergyWise programme. At the time of writing there has been no further development with EnergyWise and in the light of the current difficulties around the Renewable Heat Incentive (RHI), and broader political and economic landscape, we believe that the timing and appetite is not in existence to progress EnergyWise.

It is with these concerns that we would respectfully call on the Utility Regulator to retain the NISEP. The NISEP has acted as a safety net for marginalised fuel poor households and has brought about tremendous benefits including:

Summary of statistics for 1997-98 to 2014-15

	Total
EEL/NISEP funding spent (£)	£79,607,694.00
Lifetime energy savings (GWh)	8521.358
Lifetime carbon savings (tC)	1,781,906
Gross Customer Benefits (£)	£764,424,742.00

The ending of the programme will leave us with a hiatus and a much unmet need for the fuel poor.

We therefore call on the Utility Regulator to retain the NISEP now and into the future. As such, we believe there should be a specific project in this Forward Work Programme which can look at reviewing the programme and all its facets to ensure that it is working as efficiently and effectively as possible.

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