

HELP THE AGED

WE WILL™

**Consultation Response to the NI Energy Efficiency Levy-
Strategic and Operational Review 2008**

Contact

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The work of Help the Aged is about facilitating and enabling older people to remain in control of their lives. We work through a partnership approach with older people as equal partners. In addition, we also work with other agencies through an age sector approach to influence future policies. The work is aimed towards practical services as well as campaigning and lobbying on a range of issues. Older people are directly involved in this work. The core values which underpin our work are combating poverty, defeating ageism, reducing isolation and challenging neglect.

Help the Aged welcomes the opportunity to respond to this consultation. As an organisation which engages directly with older people we have become deeply concerned about the increasing number who are living in fuel poverty.

We believe that energy efficiency measures, such as those funded by the levy, are fundamental in the fight against fuel poverty. As such we would express concerns over a number of the proposals put forward in this consultation. Our opinions are detailed below.

- Help the Aged supports the ring-fencing of 80% of levy funds for 'priority customers'. The 2006 Household Conditions Survey showed almost half of all pensioner households here to be fuel poor- 47%. This has increased from 39.8% in 2004. With increasing levels of fuel poverty it is vital that funds continue to be targeted in this way.
- As reported by the Household Conditions Survey 2006, fuel poverty has increased. With fuel prices rising dramatically since 2006, we would expect fuel poverty to have increased yet again since this time. In light of this increase and increased demand for energy saving measures, we would call for the levy to be increased. We appreciate concerns that households experiencing fuel poverty will end up paying higher energy bills. We believe however, that due to the nature of the levy, such households will pay a minimal amount. The majority of increased contributions will be met by industry and households who are not in fuel poverty. As such the benefits to households in fuel poverty will outweigh any costs, which are likely to be small.
- We would voice concerns over proposals to reduce emphasis of the levy on whole house solutions. Directing funds away from this package could potentially result in many households receiving insulation measures alone, whilst having an inefficient central heating system. This will be counterproductive and in our view an inefficient use of funds.

We would not necessarily agree that spreading measures over a larger number of households will 'level up' the most fuel poor. It should be recognized that there are varying degrees of fuel poverty. For example, an individual with no central heating system or insulation is likely to experience fuel poverty to a greater extent than an individual without insulation but who has a central heating system. Offering insulation alone to both households is likely to have little or no effect for the first whilst reducing fuel poverty for the second.

We do however recognise that there is a high demand for insulation measures. We would propose however that rather than diverting money from the Whole House Solutions package to meet this demand, the criteria for insulation schemes should be re-examined. We are aware that the 'Individual Measures' scheme run by NIE has had to turn applicants away due to insufficient funds. We believe however that this is partly the result of criteria for the scheme being too broad. The qualifying criteria does not currently ensure that fuel poor households are targeted. For example, an individual in receipt of a disability benefit will qualify regardless of income. As the objective of the levy is to reduce fuel poverty, we believe that criteria should solely target those on low incomes.

- We are concerned about the withdrawal of levy funding from the Warm Homes Scheme. The consultation document states that supplementary funding from the levy is to be phased out 'in view of increases in funding for Warm Homes Plus from the DSD'. Although the DSD has increased funding by just over £4million, funding from the Environment and Renewable Energy Fund of over £4 million has stopped. This combined with the loss of funds from the levy will potentially result in the Warm Homes Scheme operating on a lower operational budget than last year, despite an increase in fuel poverty. This scheme is already over subscribed and in light of increases in fuel poverty, we feel this would be the wrong time to withdraw levy funding.

Added to this, no funds have been ring-fenced by the DSD yet to fund top-ups. Levy funding is vital in ensuring that no older person has to top-up a Warm Homes grant. We believe that the prospect of having to pay top-ups will be a considerable deterrent to older people who are in receipt of benefits and are unlikely to be able to afford such costs.