

Response by the N.I. Housing Executive to the Consultation Paper on the Utility Regulator's Social Action Plan 2009-14

The Housing Executive welcomes the opportunity to comment on this document. We will not comment on all of the questions posed but only on those which we feel are relevant to our role as Home Energy Conservation Authority and on the fight against fuel poverty.

Question 2. Respondents are asked their views as to whether we have considered all the characteristics that may contribute to or intensify vulnerability.

The Regulator's document lists the characteristics of a vulnerable household under the broad themes of poor health, disability, ethnic background and financial insecurity, adding that these may be intensified as a result of age and rurality. The Housing Executive would accept these broad themes as being indicative of vulnerability or potential vulnerability. However, it would add in relation to financial insecurity that any policies arising from this should include low income working households which increasingly are a bigger proportion of the fuel poor. In the past, policy interventions have tended to focus only on low income households in receipt of benefits. Whilst it is right that this should continue, it is also imperative that policy makers recognise that some low income workers have a net take-home pay which is less than similar sized families in receipt of benefits. For example, a benefit dependent family with an annual net income of say £12k may be entitled to a range of energy efficiency services whereas, at present, a similar working household with a net income of £10k is excluded. Benefit dependence should not be the sole determinant in deciding whether a family is financially vulnerable for the purposes of assistance on energy matters. This is particularly relevant to the discussion on social tariffs if they are introduced. Whilst it is easier and expedient to administer schemes that only rely on benefit dependency to identify eligible customers, this leads to social exclusion of many vulnerable households and should no longer be accepted.

Question 3. Respondents are asked to what extent they believe critical care provision could be improved. In particular respondents are asked to what extent similar emergency provisions in the event of a disruption to supply are required for gas. In responding, it would be useful if specific improvements could be detailed and in particular details of medical conditions or life saving medical equipment that require a constant supply of gas could be given.

The Housing Executive notes the provision made by NIE, Phoenix Natural Gas and firmus energy for its vulnerable customers. In particular it notes the priority given by NIE for customers on life saving medical equipment in the event of power cuts. In relation to interruptions in gas supply, perhaps the gas supply companies should consider providing alternative temporary heat sources where cold may exacerbate particular medical conditions.

Question 4. Respondents are asked to comment on whether they believe all customers have sufficient access to different payment methods offered by the utility suppliers. Respondents should list the barriers they perceive as preventing some vulnerable customers from accessing all payment methods.

The Utility Regulator should consider removing the threshold of only 33% of firmus energy customers being permitted to use pre-payment meters.

Question 5. Respondents are asked to consider what measures, if any, need to be taken to ensure that pre-payment customers benefit equally from the introduction of retail competition in Northern Ireland.

Can the Regulator make it a licence requirement for potential new entrants into the energy market in Northern Ireland? i.e that prepayment customers are not penalised by way of a higher tariff compared to direct debit customers.

Question 6. Respondents are asked to comment on the merits of a harmonized approach in relation to helping vulnerable customers to avoid debt and to manage their way out of debt.

The Housing Executive would agree with this proposal for a harmonised approach to debt recovery among all energy suppliers, provided of course that the approach is aimed at helping customers to avoid further debt and at repaying existing debt in a way that is suitable and acceptable to the customer.

Question 7. The Utility Regulator acknowledges the concerns of stakeholders around self-disconnections. Respondents are asked to comment on what should be done to prevent vulnerable customers self-disconnecting for reasons of financial hardship.

On page 41 of the document there is a reference to setting up a Utilities Trust Fund similar to the Charis Fund in GB. The Charis Fund is used to assist people who get into arrears. However, to prevent potential abuse of the fund, users only receive assistance if they agree to undertake a debt management programme where they receive training in household budgeting. Having received assistance they cannot re-apply to the fund for at least 2 years. A similar Fund here would provide a means to assist people who habitually self-disconnect.

Question 8

Respondents are asked to comment on what measures should be undertaken to raise awareness, and which organisation(s) should take the lead on these measures.

In terms of raising awareness of the services offered by utilities, obviously this should be led by the utility organisations themselves. However, they could seek the support and assistance of a range of other organisations that engage with the wider public on energy or related matters. e.g., EST Advice Centre, advice providers, charities engaged in fuel poverty work, consumer organisations, etc...

Question 10

Respondents are asked to comment on the future work plan.

The Housing Executive would support the Utility Regulator's future work plan outlined in the report and would ask that the above comments are taken on board.