



Action for Warm Homes

**Response by National Energy Action Northern
Ireland to the Utility Regulators Draft Forward
Work Programme 2017/2018**

February 2017

About NEA

NEA is the national charity working to ensure affordable warmth for disadvantaged energy consumers. NEA's strategic aims include influencing and increasing strategic action against fuel poverty; developing and progressing solutions to improve access to energy efficiency products, advice and fuel poverty related services in UK households and enhancing knowledge and understanding of energy efficiency and fuel poverty.

NEA seeks to meet these aims through a wide range of activities including policy analysis and development to inform our campaigning work, rational and constructive dialogue with decision-makers including regulatory and consumer protection bodies, relevant Government Departments, the energy industry, local and national government and develops practical initiatives to test and demonstrate the type of energy efficiency programmes required to deliver affordable warmth. Our educational and training initiatives have recently won the National Ashden Award which recognised the importance of improved knowledge and understanding of domestic energy efficiency among consumers and communities and their work to 'up skill' the workforce across the energy industry.

Fuel Poverty in Northern Ireland

The latest Northern Ireland House Condition Survey, while carried out in 2011, indicated that 42% of all households in Northern Ireland were in fuel poverty. This by far outstrips the rest of the UK and the size and scale of the problem here makes it one of the biggest issues facing our society today.

The adverse health consequences of cold homes are well recognised and documented. Professor Sir Michael Marmot, Department of Epidemiology and Public Health, was commissioned by Friends of the Earth to undertake The Health Impacts of Cold Homes and Fuel Poverty review in 2011. Amongst a raft of recommendations he reaffirmed that

“Cold housing and fuel poverty not only have direct and immediate impacts on health, but also indirect impacts and a wider effect on well-being and life opportunities, as well as on climate change. The evidence reviewed in this paper shows the dramatic impact that cold housing has on the population in terms of cardio-vascular and respiratory morbidity and on the elderly in terms of winter mortality. It also highlights the stark effect that fuel poverty has on mental health across many different groups, while also having an impact on children

and young people's well-being and opportunities. Addressing energy inefficient housing and bringing all homes up to a minimum standard of thermal efficiency would have the strongest positive impact on the poorest households, even though households from a variety of socio-economic backgrounds are likely to be residents of such properties."

This position was also reinforced by a policy briefing, commissioned by Save the Children, written by Professor Christine Liddell, Ulster University (2008) which amongst other things stated that:

- For infants, living in fuel poor homes is associated with a 30% greater risk of admission to hospital or primary care facilities when other contributory factors have been accounted for.
- For children, living in fuel poor homes is associated with a significantly greater risk of health problems, especially respiratory problems. Poorer weight gain and lower levels of adequate nutritional intake have also been found – a "heat-or-eat" effect.
- Adolescents living in fuel poor homes are at significantly greater risk for multiple mental health problems when other contributory factors have been accounted for.
- Cost-benefit analyses of the return on investment that could accrue from preventing Fuel Poverty amongst children and young people suggest that, for every £ spent on reducing Fuel Poverty, a return in NHS savings of 12 pence can be expected from children's health gains. When adults in the family are also included, this increases to 42 pence.
- Fuel Poverty is unlike most other forms of Child Poverty and should be accorded special status in policymaking and legislation concerning the young.

The cold kills, and between August 2014 – July 2015 there were 870 excess winter deaths in Northern Ireland, the highest since 2009/10. The total number of deaths registered increased by 8%, winter deaths by 11% and non-winter deaths by 7%. On average, 218 more deaths occurred each month between December 2014 and March 2015 than occurred in each of the remaining months of the year in question. All this resounding evidence highlights the damage that fuel poverty causes to physical and psychological health and welfare.

Additionally, and unique to Northern Ireland, 68% of all households are reliant on home heating oil, a non regulated fuel which leaves us vulnerable to the vagaries of all this economic. Specifically, in relation to Brexit, the falling pound and the recent increase in wholesale costs will all ultimately

impact on all fuels but the almost immediate impact on oil prices can be catastrophic. Recent increases have demonstrated that already, prices are rising steadily.

Improved insulation and heating standards which are provided by schemes and programmes such as the Affordable Warmth Scheme and the Northern Ireland Sustainable Energy Programme are seen as the most rational and sustainable means of ensuring affordable warmth.

Our Response

In the light of the size and scale of the fuel poverty issue here, we welcome any opportunity to influence or shape the policy framework. We therefore welcome the opportunity to respond to your Draft Forward Work Programme 2017/2018.

In the first instance, we would like to commend the Utility Regulator (UR) for its work in relation to consumer protection, which indeed has been consolidated and strengthened through a range of new codes of practice introduced by the UR; and the ongoing work carried out in relation to driving down costs leading to reduced tariffs at the start of 2016.

As the document outlines, a range of external factors including recent increases in wholesale prices and Brexit have all led to uncertainty in many areas, not least the energy sector. This has also been exacerbated by the recent political turmoil and the fallout from the impending snap election.

It is in the light of these concerns that we call on the UR to use its wisdom and judgement and support NEA and the Fuel Poverty Coalition's call to retain the Northern Ireland Sustainable Energy Programme (NISEP). We believe that this should be a key project for the UR, and should be upfront and central in the Draft Forward Work Programme for 2017/2018 and beyond. We believe that it should be part of the UR's Business as Usual as it contributes to the achievement of the UR's corporate strategy.

Since its inception, the NISEP has continued to bring about significant benefits to Northern Ireland. It promotes efficiency in the use of energy, socially and environmentally sustainable long-term supplies and it does so at best value to customers, whilst having due regard to vulnerable customers. It has played a major role in tackling fuel poverty through energy improvements and has been administered efficiently by the UR with Energy Savings Trust (EST) as Project Administrator.

It has dovetailed with the Department for Communities (DfC) statutory fuel poverty scheme acting as a safety net for other low income families.

In conclusion, the ending of the NISEP with no alternative programme will have a serious negative impact on low income households. Now is the time to increase revenue to tackle the problem not end this socially progressive income stream or divert resources elsewhere. The retention of the NISEP will play into a longer term solution to tackle fuel poverty. No doubt, changes could be made to improve the programme but we believe that the UR and other key stakeholders can influence and shape a new NISEP which can be more efficient, effective and targeted.

We call on the Utility Regulator to reflect the above project in the Draft Forward Work Programme for 2017/2018.

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