

BY EMAIL

To: Patricia Stewart, UREGNI
11th October 2019

Dear Patricia

NILGA, the Northern Ireland Local Government Association, is the representative body for district councils in Northern Ireland. The membership is comprised of the 11 local authorities and the organisation is supported by all the main political parties.

Fuel poverty is a key issue for NILGA and we work closely with other organisations involved in tackling fuel poverty through the Fuel Poverty Coalition.

Today the NILGA Executive Committee met to discuss the above discussion paper, and agreed to fully endorse the Fuel Poverty Coalition response. I trust you will ensure NILGA's views are taken into account as you develop policy and practice on relevant issues.

Please do not hesitate to contact me if you have any queries in relation to this matter.

Kind regards
Karen Smyth

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**Northern Ireland Fuel Poverty Coalition response to
the Utility Regulator 'Review of the Northern Ireland
Sustainable Energy Programme (NISEP) & Energy
Efficiency Provision'**

Discussion Paper

October 2019

The Northern Ireland Fuel Poverty Coalition was launched in 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 120 organisations from across Northern Ireland with over 200 active members; representing businesses, environmental groups, trade unions, the health sector, local councils, consumer groups, housing associations, rural support networks, the voluntary sector, student unions, young person's groups, older persons groups and faith groups.

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

We established five key priorities for action:

- 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.
- Ensure that current and future schemes are effectively targeted at those who need the most support particularly in the private rented sector to reduce their heating costs *and* continue to operate Northern Ireland Sustainable Energy Programme (NISEP) until a suitable alternative is in place.
- Establish both a new Fuel Poverty Strategy, and Strategic Energy Framework ensuring that our energy policy delivers an affordable, secure and sustainable energy system for all households in Northern Ireland.
- Save lives by implementing the NICE NG6 guidelines on tackling winter deaths.
- Regulate the oil industry both in price and protection of vulnerable customers ensuring that consumers have the same safeguards that natural gas and electricity consumers currently have.

Discussion Paper Questions

Q1 Given our duties (see chapter 4), are the current objectives for NISEP still appropriate or are any changes required?

We feel that the objectives are still relevant; and the Fuel Poverty Coalition strongly believes that the NISEP, while primarily set up to improve energy efficiency is a socially progressive model of delivery in line with the Coalition's key objectives.

We also recommend reiterating the importance of energy advice within objective one. Energy efficiency needs to be understood and a more defined role for installers would improve understanding for recipients on utilising heating controls or knowing the benefits of the measures installed. Also, general energy efficiency advice on switching and budgeting.

Q2 To what extent should future support for energy efficiency continue to be focused on priority (vulnerable) customers within the context of NISEP?

We fully recommend that this focus should remain on fuel poor households. In 2002 NEA NI successfully lobbied for the 80% proportion for fuel poor. The FPC was set up in response to the serious levels of fuel poverty in Northern Ireland therefore the NISEP is one of the key practical initiatives which directly reduces levels of fuel poverty. Ideally, we would prefer 100% for priority domestic customers.

Q3 Are the existing energy efficiency measures currently supported by NISEP still appropriate?

We believe that energy efficiency is a low-cost solution to alleviating fuel poverty. We therefore feel a significant proportion of any future scheme should invest in insulation and respond to the NIHE report on cavity wall insulation¹. The element of whole house solution is integral to targeting hard to treat properties and is still significant in tackling fuel poverty. The programme is high demand particularly for heating upgrades; so, the direction should be toward addressing unmet need. A strategy to ringfence emergency cases would be worth considering.

¹ <https://www.nihe.gov.uk/Working-With-Us/Research/Cavity-Wall-Insulation-Research-Project-2019>

Q4 Please suggest measures that you think should be supported by NISEP including new and/or innovative measures. Please prioritise the measures and provide evidence to justify your view.

Most interventions are loft and wall insulation and heating upgrades. These are still high-priority but we respectfully add the following suggestions:

1. Cavity wall extraction should be considered for properties officially deemed to have defective cavity wall insulation. This is currently not covered by NISEP and is slightly more expensive than cavity wall insulation; however, if left untreated can contribute to black mould growth and condensation within the property. A stringent inspection process would eliminate properties unsuitable for extraction;
2. Smaller measures: where no insulation of heating is required it would be useful for households to have access to heating controls where they do not have these in place, which offer a cost-effective solution to more regulation of house and room heating. There could be an element of flexibility where households only need small upgrades. Small energy efficiency measures such as Radiator panels, hot water jackets, bulbs, energy monitor and water widget would be worth revisiting and recommend assistance for vulnerable households fitting and using the items;
3. Dwellings with economy 7 not suitable for wet systems, for example apartment blocks need alternatives and previously run quantum heating systems previously offered a lower price solution;
4. Renewable heating technologies could be considered for rural areas who will never have access to gas;
5. A crisis boiler repair fund for households in immediate need and unable to afford repairs (but whose boiler is assessed as not eligible for replacement);
6. Smart technologies should be considered in line with the future of decarbonisation in Northern Ireland. Already initiatives are in place trialling battery storage and electrification of heat.

Q5 How best can any future funding scheme ensure a proportionate distribution of benefits across Northern Ireland?

As the NISEP is high in demand; consideration needs to be given to triaging referrals. Areas such as Mid Ulster where fuel poverty is currently the highest² need to be addressed. Rurality has been increasingly cited by coalition members and the current off gas population need a sustainable heating alternative. The NISEP while primarily an energy efficiency scheme needs to look at these alternatives.

Q6 What are your views on how NISEP or any future support should be funded?

The House Condition Survey 2016 shows evidence that the lowest income households are more likely to be in fuel poverty. Many people are living on very low incomes and are already struggling to purchase food and fuel. The Coalition still endorses support from the non-domestic sector towards the levy. Levy funded policies can be positive depending on the share of the end beneficiaries of the programmes in question; the cost recovery mechanism is still inherently regressive. One of the main reasons for this is that when policy costs are recovered on a 'flat' rate there is a disproportionate impact on low income households of higher energy costs overall, the need to ensure the beneficiaries of any levies are low income and vulnerable households is increasingly recognised and without this form of intervention, low income households will face disproportionate energy costs. We would still maintain that 'polluters pay' and would recommend exploring other utilities in the long term.

Q7 What are your views on how to best achieve cost effectiveness and value for money in the allocation of funding through NISEP or any future replacement?

- A one stop shop agent would increase efficiency on customer journey and allocation of jobs. Reducing duplication of schemes offering the same measures but providing better geographic spread would also help;
- A triage system would add focus to the demand of installations;
- Streamline eligibility checks and inspections.

² <https://www.nihe.gov.uk/Working-With-Us/Research/House-Condition-Survey-Table-6:5> (Statistical Annex 2016)

Q8 What are your views on the criteria used to determine access to priority schemes?

Vulnerable households in urgent need will need to be prioritised across all schemes with a weighting for specific household demographics.

Any future scheme should still maintain a low-income priority.

Strategic and Policy Context in NI Questions

Q9 Going forward, is there any overlap or gaps between NISEP and other funded schemes that needs to be addressed?

There is a fixed budget allocated to fuel poverty measures from central government and the NISEP (while often perceived as an additional duty albeit very low helps increase readily available and much needed funding).

The schemes offer similar measures although NISEP does not replicate the Affordable Warmth Scheme and has been primarily an energy efficiency/carbon reduction scheme. The ethos of Affordable Warmth has been to target those in severe fuel poverty, and this is based on strategically targeting the households deemed to be in the worst fuel poverty areas.

There is still enormous demand for both schemes, and they co-exist justifiably. Both schemes have their own defined objectives, however the retention and continuation of the NISEP has been hard-fought so we would be very against the objectives being altered to the detriment of fuel poor households.

Q10 What are your views on how the main lessons learnt from elsewhere and how should they be taken into consideration in the design of any future support for energy efficiency?

Data mapping has been successful in targeting worst affected areas some synergy with the Department for Communities may assist those who are within targeted areas may assist with areas of low uptake.

More resources should be explored into education and advice provided on energy efficiency, this needs to be complemented by handholding to navigate the system;

Energy advice not only covers access to schemes but other areas such as budgeting, paying for fuel and payment methods; Verbal advice at home or over the phone is more effective at encouraging behavioural change³.

Q11 In your view, how does Northern Ireland ensure it is ready for energy efficiency/carbon reduction challenges in the future?

Successful environmental initiatives such as plastic reduction and bags for life show that it is possible to change public will and understanding. The rising momentum in climate change awareness shows that there will be an increased appetite for energy efficiency not just in cost terms but in environmental terms. Much work around planning is already taking place across all the sectors and 'greening' within industry is now becoming an expectation. There is a need for more education on the benefits of energy efficiency with cohesive cross sectoral messaging.

Q12 In your view, what should be the target customer groups of any future energy efficiency support fund?

Maintaining a focus on vulnerability and low income.

Q13 How could a 'One Stop Shop' approach to the provision of energy efficiency support (as suggested in the Call for Evidence) be organised?

A one stop shop would improve the customer journey and ease of use for the general public. Ideally a dedicated helpline would field calls and deal with queries throughout the referral process. If all schemes were filtered through this approach it should result in better outcomes for households referred to the most appropriate measures.

Q14 Have you any other comments on the existing NISEP scheme or any future support scheme that you wish to make?

There will be more costs as a result of decarbonisation and those financially worse off should be safeguarded accordingly. We reiterate that the future of NISEP should protect those who cannot afford to pay for necessary measures.

³ <https://www.eci.ox.ac.uk/research/energy/downloads/effecticeadvice-rpt.pdf>
<https://www.nea.org.uk/wp-content/uploads/2018/09/HIP-Exec-Summary-Social-Evaluation-Report-2018.pdf>

Q15 In your view, to what extent has NISEP had an impact in relation to Section 75 of the Northern Ireland Act 1998 or the promotion of equality of Opportunity?

A large proportion of the NISEP recipients are living on low incomes, of pensionable age, lone parents with young children and people with disabilities. Sub-categories such as rurality should also be considered.

Response submitted by:

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