



speaking from experience

Response to Affordable Warmth Consultation

May 2014

Introduction

Age Sector Platform (ASP) welcomes the opportunity to respond to the 'Affordable Warmth' consultation from the Department for Social Development (DSD) as keeping warm in winter is the top issue of concern for older people across Northern Ireland.

Age Sector Platform, which was established in 2008, is a charity which supports older people to have their say on the issues that matter most to their lives. The organisation has a membership base of 34 older people's organisations and networks which represent approximately 200,000 older people across Northern Ireland.

Age Sector Platform also runs the Northern Ireland Pensioners Parliament (NIPP) each year which surveys pensioners from across each county to identify their key areas of concern. Since the NIPP was established in 2011 it has held engagement events in seventeen different locations across Northern Ireland, conducted over 3,500 surveys and held three two-day parliaments where seventy-four motions have been passed by Members of the Pensioners Parliament (MPPs).

Since the Pensioners Parliament was established, 'Keeping Warm in Winter/Energy Prices' has been the top issue of concern for older people across every part of Northern Ireland. In the 2013 NIPP survey, almost 4 out of every 5 (79%) older people surveyed listed keeping warm in winter as a top concern and the issue is coming out on top of the draft 2014 survey as well.

Age Sector Platform has considered the consultation proposals in some detail and our response is outlined in the following pages. We have provided some overarching comments as well as responses to the main questions asked in the consultation document which we hope the Department will consider fully before deciding on the next steps on this vitally important matter.

Older People and Fuel Poverty – The need for action

ASP welcomes the work of the Warm Homes Scheme over the past number of years and believes that improving the energy efficiency of people's homes can have a significant impact on reducing fuel bills for households across Northern Ireland.

ASP is pleased that the Department has met its target since 2009 to increase energy efficiency in over 9,000 homes annually. However, we know that despite this huge amount of work, fuel poverty levels have continued to remain very high, with older people affected more than any other section of society.

Fuel poverty is the biggest concern of older people in Northern Ireland for many years and the annual survey from the Pensioners Parliament since it was established in 2011 reflects this clearly. The draft survey figures for 2014 are also showing that this issue is by far the top issue of concern for older people right across Northern Ireland highlighting the need for much more work on this issue.

Fuel poverty is made up of three strands – income, energy prices and energy efficiency. While we are aware that DSD does not have control over all these factors, as the Government Department with lead responsibility for tackling Fuel Poverty, we believe that it is incumbent on the Minister to take the lead on this matter and organise a cross departmental approach to tackling this serious issue.

The statistics shows that Northern Ireland has the highest level of fuel poverty compared to any other part of the UK, with around 42% of homes recorded as being in fuel poverty.

However, the figures when it comes to older people are even worse with 61% of over 60s and a shocking 75% of people over the age of 75 suffering in fuel poverty.

ASP is particularly concerned about older people who rely on home heating oil as the cost is even higher than gas and the payment system for oil means that those who can't afford a large delivery end up spending even more on their fuel. As a result of this, the NIPP passed the following motion at the 2012 Pensioners Parliament supporting DSD's announcement of a 'Pay as you go' scheme to help to address this issue (see below).

E7 NIPP welcomes the development of a 'pay as you go' oil scheme and hopes that this will help older people to manage the cost of heating their home and alleviate the hardship that many are currently facing. (79% voted in favour)

However, we are aware that this scheme has now been stopped and ASP would ask the Department to reconsider how older people, and particularly those reliant on oil, can be assisted with the energy bills in future.

Fuel poverty figures show that while energy efficiency measures are very important and necessary, much more needs to be done to increase income and lower energy

prices if we are to significantly reduce the levels of fuel poverty in the foreseeable future. Age Sector Platform and the NI Pensioners Parliament accept that DSD cannot tackle this alone and this is why it passed the following motion at the 2012 NI Pensioners Parliament.

E5 In recognising the increasing levels of fuel poverty in NI, the NIPP calls on the NI Executive to develop and implement an action plan to eradicate fuel poverty. (95% voted in favour of this motion)

ASP is therefore calling on the NI Executive collectively to make tackling fuel poverty a top priority for the next ten years. The stark statistics in relation to Excess Winter Deaths each year illustrates that being able to keep warm is a matter of life and death for older people.

The latest figures show that in the winter of 2012/13, 560 people in Northern Ireland died and 550 (98.2%) of these people were aged 65 or over. A further breakdown of these figures shows that exactly 500 of these deaths were people aged 75 and over and this again mirrors the higher levels of fuel poverty for this age group.¹ Age Sector Platform and the NI Pensioners Parliament believes that much more needs to be done to address the scandal of hundreds of older people dying each year in Northern Ireland due to cold related illnesses.

In the short term an opportunity exists to help those most in need of fuel poverty at this time. ASP is aware that the NI Assembly received an additional £136 million in its block grant this year and we are calling on the NI Executive to use some of this extra money to assist those older people on low incomes who are really struggling to pay their energy bills at this time. Two years ago, the NI Executive announced a package of measures to help a number of vulnerable groups with the cost of energy and this included a payment of £100 to all older people receiving pension credit.

We would urge the Minister to give this proposal serious consideration as we know that the last payment made was greatly appreciated by those who received it and it helped them cope better with heating their home. ASP has just finished running seven local pensioners' parliaments across Northern Ireland in recent weeks. We have visited Belfast, Enniskillen, Craigavon, Omagh, Newry, Larne and Magherafelt and the message being received loud and clear at each event was – "We need more help with our energy bills".

Older people on low incomes really need some extra financial assistance to help them pay for the heating bills coming through their doors at this time and we would ask the Minister for Social Development to support this call for some of this additional money to be used to assist those older people most in need and at risk of fuel poverty at this time.

¹ NISRA, Excess Winter Mortality in Northern Ireland, 2012/13

Response to Consultation Proposals

Targeting

ASP understands the rationale behind targeting those in more severe fuel poverty first as many of these people will be facing the greatest hardship. However, there are a number of unanswered questions about the proposals at this stage and we could not support such a change to what has been a successful scheme to date without further clarification on a number of issues which are outlined in the following pages.

Timescale

It is unclear from the document how long the proposed scheme will run for and what will be committed in terms of overall financial support and ASP would seek clarity on this.

Targets

The current 'Warm Homes Scheme' has a clear target of 9,000 homes per annum helped by the measures. The proposed new scheme does not make it clear how many homes will be helped per year in the new model.

The consultation document refers continuously to the 33,000 homes in severe fuel poverty which will be the main target of the scheme but provides no guarantees that there is the budget to alleviate fuel poverty in these households. Has the money needed to get these homes out of fuel poverty been secured and over what timescale is this likely to be achieved?

The absence of clear targets means that it is difficult to measure the potential impact of the proposed new model against the scheme currently in place and therefore it is not possible to support any major shift in energy efficiency measures without this information.

Budget

ASP would like more information on what the total budget for the scheme will be and how many homes will be made more energy efficient as a result.

This would appear to be a significant omission in the consultation and it makes it difficult for our organisation to provide detailed comment on proposals that either have not been fully costed at this stage or where that detail has not been provided.

The lack of financial detail provided makes it impossible to give a definitive response to the main proposals as we are unable to identify what is the most cost effective way on reducing levels of fuel poverty in Northern Ireland.

Partnership Approach

The partnership approach may prove to be effective but again there are questions around how this approach impacts financially on the scheme and whether there will be a higher administration cost as a result of this approach.

ASP would seek guarantees that the majority of financial support for such a scheme would be put into delivering the anti-fuel poverty measures as opposed to creating a larger administration around the implementation of the scheme.

ASP is also concerned on how the changes to local government under the review of public administration might affect local delivery of the planned scheme if it did go ahead. Has the impact of these significant changes at local level been factored into the proposals for the new scheme?

ASP also questions whether there should be a role for the community and voluntary sector in the delivery of the scheme and whether organisations in this sector would still be able to refer people to the scheme.

One possible advantage of an area based approach with local council involvement could be overcoming the problem many people face in completing benefit forms. Many older people report to our organisation that they find benefit applications much too complicated and this puts many people off completing the process. If the new approach helped more people entitled to benefits receive them this would be a positive development.

Maximum grant And Client Contribution

It is unclear whether the maximum level of grant is to change under the new scheme. It is a fair assumption that if homes in most severe fuel poverty are being targeted in the new scheme then it is likely that more of the projects under the scheme will exceed the existing maximum grant level of £6,500.

ASP would be concerned if the new approach led to more grants exceeding the maximum limit as this would mean more clients having to pay a surplus. However, if the new scheme is targeting those on low incomes then it is likely that most of those who qualify for the scheme will be unable to afford this excess payment.

Impact on Fuel Poverty Levels

The proposal to target those most in need means that the scheme would be primarily targeting the top 11% in fuel poverty. While helping those most in need can be rationalised in some respects it would mean that the majority of people in fuel poverty may well be literally 'left out in the cold' in relation to receiving help with keeping warm. In this instance, ASP believes that additional schemes would also have to be developed to help those who wouldn't qualify for the new 'Warm Homes Scheme'.

Consideration should be given to see how other fuel poverty schemes such as the 'Warm Homes Discount Scheme', which operates in the rest of the UK, could be extended to help vulnerable households in Northern Ireland.

Landlord Contributions

ASP agrees that there should be more of an onus on landlord's to contribute to the cost of such a scheme, particularly in the case of landlords who hold large housing portfolios. However, again there would need to be more analysis or information provided on the likelihood of landlords agreeing to sign up to such a scheme and whether this will be mandatory.

If assistance is only provided to landlords registered on the Landlord Registration Scheme this raises questions about whether those tenants living in fuel poverty whose landlord is not registered will be negatively impacted. In principle, we would agree that landlords have a contribution to make but how such a proposal would work in practice and how it would benefit tenants most in need of assistance would need to be worked out to ensure maximum impact.

Eligibility Criteria

ASP is unsure about whether the proposed changes to criteria would be beneficial and without this certainty at this stage we recommend the retention of the existing Warm Homes scheme criteria. It is unclear if the £16,190 level suggested is gross or net income and there is no detail provided on how this information will be checked as part of the application process.

While ASP understands the rationale behind providing this assistance to those on incomes below the suggested amount, we believe that if such a scheme was to be introduced that consideration should be given to provide some sort of 'sliding scale' of financial support for people above this income level up to a certain point.

The level of income proposed does appear quite low and it is fair to say that many homes with income above this level will also be facing major difficulty with energy

prices. Therefore, again we would suggest that consideration be given to other schemes that could help other people in fuel poverty.

Many older people are asset rich but income poor. It is not clear whether these people would be identified by the mapping process and if they were would they be eligible. It would also be useful to know if there are any specific categories of houses or those built after a certain date that would be automatically removed from the possibility of assistance under the new proposals.

Energy Efficiency Measures

ASP welcomes the retention of all existing measures in the Warm Homes Scheme and the proposed introduction of a number of new measures.

It is vital that the measures available are as wide as possible so that the solutions to fuel poverty can be customised for each home and appropriate to the property in question and not limited to a pre-determined list. We welcome the proposal of boiler replacement measures but would recommend that consideration might be given to extending it to a slight lower age and possibly changing the boiler age from 15 years to 10 years. As well as providing advice on benefits ASP also believes that advice on budgeting could also be useful to help people struggling to pay for the essentials.

ASP would seek clarification on whether anyone who benefited from the existing scheme would be eligible to apply for some of the additional measures proposed under the new scheme if it was implemented.

Self-Referral

ASP strongly believes that self-referral should continue as part of the new scheme. While we understand the outlined rationale behind the area based approach we still believe that such an approach could still be complemented with a self-referral scheme as well.

If self-referral remains part of the scheme then there should continue to be marketing of the scheme beyond the areas due to be covered through the area based approach to enable others to apply as well.

Choice of contractors

It would appear that people who qualify for the scheme would have some choice over the contractors. While it can be good for people to have this choice it does raise questions around how the scheme can be more cost effective through this area based approach as it would seem that having selected contractors in advance might lead to greater economies of scale for the project.

Conclusion

ASP welcomes the work of the Warm Homes Scheme over the past number of years and believes that improving the energy efficiency of people's homes can have a significant impact on reducing fuel bills for households across Northern Ireland.

We welcome the opportunity to respond to this important consultation but it is difficult to provide a definitive response to the proposals due to the lack of detailed financial information and on the impact the scheme will have. While targeting those in more severe fuel poverty first may be a desirable objective, the document does not provide any clear targets for the number of these homes that will be improved or any guarantee that the work done will remove these people from fuel poverty.

The existing scheme has a clear target of improving energy efficiency in 9,000 homes annually and given the continuing high levels of fuel poverty we would need to see at least the same and preferably larger numbers of homes improved in the next few years. However, no such target or guarantee is included in the consultation document.

While we welcome DSD's continued commitment to energy efficiency measures much more needs to be done to tackle the other two strands of fuel poverty, income and energy prices. As the Department responsible for tackling fuel poverty DSD needs to liaise more closely with other departments, and particularly the Department of Enterprise, Trade and Investment, to ensure a more holistic approach to fuel poverty is taken so that real progress can be made in helping those struggling as a result of it. In fact, such is the serious nature of fuel poverty and the devastating effect it has on some of the most vulnerable in our society, Age Sector Platform and the Northern Ireland Pensioners Parliament is calling on action on fuel poverty being made as key priority for the overall Northern Ireland Executive.

In the short term an opportunity exists to help those most in need of fuel poverty at this time. ASP strongly recommends that some of the additional £136 million received in the block grant this year should be used to assist older people on low incomes to pay their energy bills. Two years ago, the NI Executive announced a package of measures to help a number of vulnerable groups with the cost of energy and this included a payment of £100 to all older people receiving pension credit and we would urge the Executive to respond to this serious issue again.

As the Department with lead responsibility for tackling fuel poverty we would ask Minister McCausland to give this proposal serious consideration with the view to proposing this spending option when the NI Executive meets to discuss the allocation of this additional money.

Age Sector Platform Members

- ABC Seniors Network
- Age NI
- Age North Down and Ards Over 50s Forum
- ALLY Foyle
- Amicus Retired Members
- AT&GWU Retired Members Association
- Belfast East Seniors Forum
- Carers NI
- Castlereagh Lifestyle Forum
- Civil Service Pensioners' Alliance (CSPA)
- COAST (Causeway Older Active Strategic Team)
- Communications Workers Union (NI Regional Retired Members)
- Engage with Age
- GMB Retired Members
- Greater Shankill Senior Citizens' Forum
- Hoi Sum Chinese Elderly Group
- ICTU Retired Workers Committee (NI)
- Indian Community Centre 50+ Club
- Mid and East Antrim Age Well Partnership
- Mid Ulster Seniors Network
- NASUWT Retired Members Association
- National Federation of Occupational Pensioners
- National Pensioners Convention (NI)
- Newry and Mourne Senior Citizens' Consortium
- Newtownabbey Senior Citizens' Forum
- NIPSA Retired Members Association
- North Belfast Senior Citizens' Forum
- North West Ageing Well Together (NVAWT)
- Older Women's Network
- NI Public Commercial Services Union (Associate and Retired Members)
- South Belfast Lifestyle Forum
- South West Age Partnership
- UNISON Retired Members
- West Belfast 50+ Forum

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