



speaking from experience

**Response to
Warm Home Discount Scheme**

November 2014

Introduction

Age Sector Platform (ASP) welcomes the opportunity to respond to the 'Warm Home Discount Extension' consultation from the Department for Energy and Climate Change' (DECC) despite the fact that this scheme currently excludes Northern Ireland.

In fact, it is the reason that older people in Northern Ireland cannot avail of this financial support that our organisation feels compelled to respond to this consultation.

Age Sector Platform believes the current scheme to be an excellent way of helping many of those most at risk of fuel poverty and we particularly commend the Department in ensuring that those pensioners who qualify for the scheme receive this assistance automatically through the use of data matching.

However the exclusion of Northern Ireland, which has higher levels of fuel poverty than any other part of the UK, is totally unacceptable and unfair on the thousands of older people here struggling to keep warm during the winter months.

Since the scheme is not currently relevant to people living in Northern Ireland we are focusing our response not on the details of the current scheme but on why we strongly believe that the Warm Home Discount Scheme needs to be extended to include Northern Ireland.

Background

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 5,000 surveys and held four two-day parliaments where ninety one motions have been passed by Members of the Pensioners Parliament (MPPs).

Since the Pensioners Parliament's inception, 'Keeping Warm in Winter/Energy Prices' has been the top issue of concern for older people across every part of Northern Ireland. In the 2014 NIPP survey, 3 out of every 4 (75%) older people surveyed listed keeping warm in winter as a top concern, making it the top issue of concern by almost twenty percentage points.

In the winter of 2012/13, 560 people in Northern Ireland died from cold related illnesses and 550 (98.2%) of these people were aged 65 or over. This shows the

devastating impact that fuel poverty is having in Northern Ireland and particularly on our older population.

Age Sector Platform and the NI Pensioners Parliament believe 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.

While the Northern Ireland Executive has a programme to tackle fuel poverty, it is almost exclusively aimed at improving energy efficiency. While this is very important and necessary work, it is tackling only one of the three main strands of fuel poverty.

There is no scheme in Northern Ireland providing the most vulnerable with a financial discount from their energy bill and this response outlines why the Department for Energy and Climate Change should include Northern Ireland in both the extension year for the scheme and any future scheme that are developed over the coming year.

We have outlined why older people in Northern Ireland need additional help to keep warm in winter and we hope the Department will fully consider our response before it makes any final decisions on who the Warm Home Discount Scheme will support in future.

Why the current scope of the scheme is unfair?

The purpose of the Warm Home Discount Scheme is listed in both Department of Energy and Climate Change (DECC) consultation documents of 2010 and 2014 as 'to reduce fuel poverty in the UK'. However, this seems to contradict the geographical scope of the scheme which only provides support for people living in Great Britain.

The only recorded reason we can find for excluding Northern Ireland from the scheme is contained in Department for the Environment and Climate Change (DECC) consultation document issued on 2 December 2010. This stated that Northern Ireland was excluded because 'Fuel Poverty Policy is fully devolved to the Northern Ireland Executive and they have their own targets and policies in place to tackle it'.

However, we believe that this statement is flawed for a number of reasons.

- 1 Fuel poverty is also devolved in both Scotland and Wales, yet consumers in these regions were included in the scheme but Northern Ireland was not.
- 2 Age Sector Platform believes that the statement that Northern Ireland has 'their own targets and policies in place to tackle it' is misleading and disingenuous as it implies that there are policies in place in NI that are equal to or better than the Warm Home Discount Scheme.

However, this is clearly not the case as there is currently no scheme in place to provide a financial discount on energy bills for vulnerable consumers in Northern Ireland and introducing this could provide significant help for a large number of people in fuel poverty.

- 3 The statement justifying the exclusion of Northern Ireland from the scheme also contradicts the recorded position of DECC clearly expressed in their 'The Fuel Poverty Statistics Methodology and User Manual'. This manual states that 'Fuel Poverty is a partially devolved matter' and goes on to outline the rationale for their stated position.

The DECC Fuel Poverty Methodology Handbook, 2010 also states that

"The main reason for the devolution is that the devolved administrations have the power to affect certain aspects of fuel poverty policies (such as energy efficiency programs) **but not others** (incomes and market conditions, which impact on fuel prices).

Age Sector Platform would support the analysis that fuel poverty can only be described as 'partially devolved' given that the NI Assembly does not have the powers to significantly improve the affordability of energy costs for consumers.

Why pensioners in Northern Ireland need extra help

Keeping Warm in Winter/Energy prices has been the top concern of pensioners in Northern Ireland every year since the Pensioners Parliament was launched in 2011. Three quarters (75%) of pensioners in the 2014 Pensioners Parliament survey listed it as a top concern.

The Northern Ireland Pensioners Parliament (NIPP) has expressed the strong view that there is no justification for excluding eligible Northern Ireland pensioners from the scheme and it believes that the existing scheme discriminates against them by treating them less favourably than other UK citizens in similar circumstances.

Fuel poverty in Northern Ireland is higher than any other part of the UK with 44% or 297,000 homes estimated to be in fuel poverty. In addition, 70% of households (495,560) in Northern Ireland rely on home heating oil compared to only 4.4% in Great Britain.

While fuel poverty is across all sectors in society it is clear that many more older people are affected by it than any other age group and the impact on them is more severe. Many older people are not as mobile as other age groups and they spend proportionately more time in the house which means they generally need more electric and heating.

Almost two-thirds of older people (62%) are currently living in fuel poverty, leading to an increased chance of sickness and ill health among our older population. The situation is even more severe in households with someone aged 75 and over as three quarters (75%) of these households are living in fuel poverty.¹

Age Sector Platform conducted research with older people earlier this year to get a more detail picture on their energy spending. The 'Heating Costs'² survey revealed that over half of all respondents (51%) said that the cost of heating their home meant they had to cut down on other essentials such as food. It also revealed that pensioner households that rely on oil for heating their homes are paying £405 per year more, on average, than those relying on gas.

The impact of this situation is stark. The last recorded winter death figures for Northern Ireland (2012/13) showed that 560 people died from cold related illnesses and 550 (98.2%) of these people were aged 65 or over. This shows the devastating impact that fuel poverty is having in Northern Ireland and particularly on our older population.

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 and inclusion in the Warm Home Discount Scheme can play a role in trying to reduce the number of annual deaths.

¹ Lord Whitty, Independent Report – Energising Northern Ireland, 2012

² NI Pensioners Parliament Heating Survey

Cost v Benefit

ASP understands that the scheme is financed by a charge on consumers and it has been estimated that this adds £11 to the average annual domestic energy bill in Great Britain.

ASP understands that including Northern Ireland in the scheme should only increase this by around £1 per month to £12 per annum (less than £1 per month for households). While any increase in bills is regrettable, it is important to note that the impact of this scheme is that over 2 million of the poorest households receive the significant benefit of £140 per year off their annual energy bill.

For many older people, receiving this discount off their energy bills will enable them to put on the heat more often during the winter months and this could literally help them to survive the winter months.

Conclusion

Older people on low incomes in Northern Ireland need extra financial assistance to help them pay for their energy bills so that they can stay warm and have a decent standard of living during the winter months.

Age Sector Platform believes that the exclusion of Northern Ireland, which has higher levels of fuel poverty than any other part of the UK, is totally unacceptable and unfair on the thousands of older people here struggling to keep warm during the winter months.

ASP recognises that the current consultation is in relation to extending the existing scheme for a further year. We believe that there is an overwhelming and justifiable case for including pensioners from Northern Ireland into the scheme for 2015/16 to assist them with their heating costs.

ASP also notes that there will also be further discussions in coming months about the longer term fuel poverty strategy in the UK, including the future of the Warm Home Discount Scheme, and it is vital that Northern Ireland is included in those discussions.

ASP is requesting that Power NI be included in the scheme in future (as they meet the 250,000 domestic customer's requirement to be mandatory participants in the scheme). ASP also believes that Airtricity should be encouraged to participate in the scheme given that they are a subsidiary to current scheme participants SSE Energy.

As a Charity with a large membership base across every part of Northern Ireland, we welcome the opportunity to respond to this consultation and to make our case for including low-income pensioners from Northern Ireland in the Warm Home Discount Scheme.

We trust that the Minister and the Department of Energy and Climate Change give serious consideration to the points made in this consultation response and we would be very willing to meet with any officials to discuss this important issue further if this was helpful.

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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