



Department for  
**Social  
Development**  
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## **Ending Fuel Poverty: A Strategy for Northern Ireland**



INVESTOR IN PEOPLE

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## Foreword by the Minister

I am pleased to present this Fuel Poverty Strategy for Northern Ireland. This strategy provides the overall policy context for Government to eradicate fuel poverty, and the direction for all our partners to help achieve that aim. Ending Fuel Poverty is therefore not simply a strategy for housing, or for raising income, or for addressing energy prices. It is a document that addresses fuel poverty in an holistic way.

Northern Ireland has the highest rate of fuel poverty in the United Kingdom, with 1 in 3 households suffering its effects. Fuel poverty damages health and social well being, and those who suffer most are people in vulnerable groups. Government is committed to tackling this problem by addressing each of its main causes: high fuel costs, low income and poor energy efficiency.

Our actions must be directed at each cause of fuel poverty, and they must be co-ordinated in a strategic way. I intend to lead a partnership within Government to fight fuel poverty in Northern Ireland, and I want to see that partnership approach extend throughout the public, private and voluntary and community sectors. The targets we have set are challenging and will require all our partners to focus their resources and expertise over the coming years.

*Rt Hon JOHN SPELLAR MP*

*Minister with responsibility for  
Social Development*

## Executive Summary

*Ending Fuel Poverty: A Strategy For Northern Ireland*, has been developed by the Department for Social Development (DSD) following a consultation process that took place at the end of 2003. The Strategy is an important element of Government's policy of New Targeting Social Need and reflects DSD's mission statement "Together, tackling disadvantage, building communities". The strategy covers the period to 2016, with a strong focus on 2010; these are the key dates for the document's high-level targets.

A household is in fuel poverty if, in order to maintain an acceptable level of temperature throughout the home, the occupants would have to spend more than 10% of their income on all household fuel use.

The Strategy highlights the main causes of the problem as low income, poor energy efficiency and high energy costs. It identifies households that are particularly vulnerable to the effects of the cold on their health and social well-being as those that contain an elderly person, someone living with a disability or long term illness, or a family with at least one child under 16. We have decided that help for fuel poverty should be directed as a priority at those in greatest need.

The Strategy discusses the nature and extent of fuel poverty in Northern Ireland, drawing on data from the 2001 Northern Ireland House Condition Survey (NIHCS). This analysis includes a breakdown of the rate of fuel poverty by area, by household composition and by tenure.

Northern Ireland has a very high rate of fuel poverty compared with the rest of the United Kingdom. It is recognised that the task of eradicating the problem is correspondingly difficult here, but nevertheless, we have decided that targets should match the rest of the United Kingdom. Subject to the availability of the necessary resources, DSD and its partners aim to eliminate fuel poverty in vulnerable households by 2010, and in non-vulnerable households by 2016. In addition, by 2010, no household in the social rented sector should suffer from fuel poverty. Annual milestone targets are also set out for the number of households that remain fuel poor.

DSD sets out its vision for the future as one of homes that are free from cold and damp, of homes in which people enjoy living, that are healthy and enhance the quality of their occupants' lives. Our vision is of a society in which people live in a warm, comfortable home and need not worry about the effect of the cold on their health. A number of guiding principles are also stated.

*Ending Fuel Poverty* sets out a range of actions and delivery mechanisms that will be used to eradicate fuel poverty, stressing that the severity of the problem in Northern Ireland necessitates a partnership approach on the part of all the relevant organisations in Government and elsewhere. As part of this plan, we will adopt the Decent Homes standard, which all social housing in Northern Ireland should meet by 2010. The Strategy discusses the resources that are likely to be needed to end fuel poverty in Northern Ireland.

We will give leadership to the partnership that will tackle fuel poverty. Within Government, the Minister with responsibility for Social Development will chair the Inter-Departmental Group on Fuel Poverty (IDGFP). We will seek to build upon the partnerships that we have with organisations outside central Government, and forge new links. We want the strategy to be taken forward in an open and accountable way, and will therefore establish a Northern Ireland Fuel Poverty Advisory Group (NIFPAG) to monitor and advise on the progress of the Strategy.

We reaffirm our commitment to promoting equality of opportunity and good relations, and have carried out an equality screening exercise on our fuel poverty policy.

## 1.0 INTRODUCTION

### 1.1 Development of the Strategy

1.1.1 This fuel poverty strategy for Northern Ireland has been developed following a consultation exercise that took place in the last 3 months of 2003. During that process, a wide range of groups was asked to submit comments on the DSD paper "Towards a Fuel Poverty Strategy for Northern Ireland". With the Department's support, a participative consultation exercise was carried out by the fuel poverty charity National Energy Action (Northern Ireland) (NEA (NI)). This took the form of public consultation events and a number of focus groups and meetings. In this way, we believe that all the organisations in Northern Ireland that deal with fuel poverty, and all the groups that experience its effects, have had the opportunity to influence Government policy. Many of the ideas generated have been included in this document.

### 1.2 Policy and Organisational Context

1.2.1 The mission statement of DSD is "Together, tackling disadvantage, building communities". Among our key objectives are commitments to promote measurable improvements to housing in Northern Ireland, and to tackle disadvantage amongst individuals, communities and neighbourhoods, with particular emphasis on those in greatest need. We aim to

encourage, develop and support community development.

1.2.2 The mission statement and objectives are strongly rooted in Government's policy of New Targeting Social Need, and form the foundations of the proposed Anti-Poverty Strategy, currently being developed by the Office of the First Minister and Deputy First Minister (OFMDFM). The proposed Anti-Poverty Strategy will be implemented in conjunction with Government departments and key stakeholders through a Ministerially led forum and will complement other Government strategies and initiatives aimed at reducing poverty in Northern Ireland. Action to eradicate fuel poverty is just one of the Government's initiatives aimed at addressing poverty and social need. All Departments in Northern Ireland are required to implement their policies in a way that identifies need and impacts positively on that need. The main Departments that have a role in taking forward the fuel poverty strategy in partnership with DSD are:

- The **Department of Finance and Personnel (DFP)**, both by working with us on the resource implications of the policy, and through its responsibility for building standards in Northern Ireland.
- The **Department of Enterprise, Trade and Investment (DETI)**, which has responsibility for the energy market in Northern

Ireland. DETI's Strategic Energy Framework published in June 2004, will contribute to eradicating fuel poverty by working towards a cost-competitive energy supply and by encouraging energy efficiency. Like DSD, DETI wishes to work with DFP to ensure Northern Ireland's building regulations are brought up to the standard of the best in Europe. The Strategic Energy Framework aims to encourage the development of combined heat and power (CHP) in Northern Ireland. DETI has provided leadership in energy efficiency by accepting responsibility for overall strategy and coordination and by setting a target of 1% per annum reduction in electricity demand for Northern Ireland as a whole. DETI aims to develop an all-island energy market, to develop further the gas network, and through competition, bring lower costs to energy consumers.

- The **Department of Health and Social Services and Public Safety** (DHSS&PS) was quick to recognise the consequences of fuel poverty for the health of vulnerable people in Northern Ireland. The Investing for Health Strategy contains firm targets for fuel poverty, and the Investing for Health Partnerships are actively developing and delivering projects in their areas.

1.2.3 Other Departments may have a contribution to make.

- The **Department of Education** (DE) can help to ensure that children have the opportunity to learn about the impact of energy use on their own lives, their homes and their environment. DSD has already discussed this issue with the Council for the Curriculum, Examinations and Assessment (CCEA), in the context of the new school curriculum.
- The **Department of the Environment** (DOE) has lead responsibility for policy and legislation on air quality in Northern Ireland, for which District Councils have local responsibility. There is scope to ensure that help for fuel poor households also improves the air quality of our towns and cities.
- The **Department of Agriculture and Rural Development** (DARD) seeks to meet the needs of people in rural areas, addressing in particular the issue of declining farm incomes. DARD will help us to rural proof the fuel poverty programmes that are brought forward under the Fuel Poverty Strategy.

## 2.0 THE CAUSES AND DEFINITION OF FUEL POVERTY AND VULNERABLE HOUSEHOLDS

2.0.1 Fuel poverty is the inability to heat a home to an acceptable level for reasons of cost. Each household

has a specific requirement for heat, and for energy more generally, depending on the number of occupants, their age and their lifestyle. Three key factors influence the ability of the household to pay for that energy. These are income, energy efficiency and energy costs.

2.0.2 The consultation document “Towards a Fuel Poverty Strategy for Northern Ireland” discussed the causes of fuel poverty in more detail. We have listened carefully to comments about the definition of fuel poverty, and are conscious that some organisations have urged us to revise our assessment of income and the acceptable level of temperature. We are persuaded that there are different degrees of fuel poverty, from the marginal household that spends 11% of income on energy, to the more severely fuel poor in which perhaps 20% or more of income would have to be spent on fuel costs. However, it is very important that the definition of fuel poverty adopted in Northern Ireland allows comparisons to be made with other parts of the United Kingdom. **The definition of fuel poverty that will be used by all Departments in Northern Ireland is:**

*A household is in fuel poverty if, in order to maintain an acceptable level of temperature throughout the home, it would have to spend more than 10% of its income on all household fuel use.*

*This definition regards income as that of all household members, net of tax, including all social security benefits, housing benefit, income support for mortgage interest (ISMI) and tax credits. We will also collect and publish information using a definition of fuel poverty that excludes housing benefit and ISMI.*

*We have adopted the World Health Organisation definition of a satisfactory heating regime of 21 degrees C in the living room and 18 degrees C in the other occupied rooms.*

*Included in the term “all fuel use” is the cost of heating fuel of all types and electricity used (whether for heating space or water, lighting, cooking, running appliances of any kind, or any other household use).*

## **2.1 Vulnerable Households**

2.1.1 We are aware that there are varying views concerning the definition of a vulnerable household in terms of fuel poverty. During the consultation process, most responses supported our analysis of the detrimental effect of fuel poverty on health and social inclusion. Older people in particular spoke very persuasively about the effect of a cold home on their lives. This confirmed that the vulnerable groups needed to be tackled as a priority.

2.1.2 There is no doubt that certain groups are more likely than others

to find themselves suffering from fuel poverty, for example working people with low incomes. We also recognise that the majority of fuel poor households have one or more of the characteristics that are included in our definition of vulnerable. We will therefore consider, when supporting fuel poverty projects, the possibility of further targeting within vulnerable groups. An example of such an approach could be to direct help as a priority to frail elderly people, perhaps those over 75. However, it is our view that the definition of “vulnerable” should focus on the risk of suffering serious ill effects from fuel poverty, and therefore, for the purposes of this strategy:

A vulnerable household is one that contains an elderly person, someone living with a disability or long-term illness, or a family with one or more child under 16.

For the purposes of this strategy, “elderly” means a person aged 60 or more.

**2.1.3 Whilst priority will be given to addressing the needs of vulnerable groups, there will also be help available to the fuel poor that fall outside this group.**

## **2.2 Needs-based Approach**

2.2.1 We have noted that there is some support for a property-based method of targeting help for fuel poverty. It is our view that this is not sufficiently driven by social need, and eligibility for help should continue to be based primarily on the circumstances of the household members rather than on the condition of the property. However, we recognise that dwellings in poor condition are often occupied by people on low incomes, and will consider how best to reach this group. It should be noted that energy efficiency programmes such as the Warm Homes Scheme *do* in fact take some account of the property characteristics once a household has been identified and assessed as eligible for help.

## **3.0 EXTENT AND ANALYSIS OF FUEL POVERTY IN NORTHERN IRELAND**

3.0.1 The 2001 NIHCS produced the first reliable figures for fuel poverty here and we regard its findings as the baseline from which progress will be measured. The methodology applied was common across the countries of the United Kingdom, and used a model applied by the Building Research Establishment (BRE). In summary, that model took account of

- Fuel prices – using a 3-year average from 2000 to 2002.
- Household requirements – either a 9 or 16 hour heating regime, depending on the profile of the occupants.
- Income – net of tax and including all social security benefits.
- Dwelling characteristics – using BRE's model and information collected by the surveyor.

3.0.2 The Northern Ireland Housing Executive (NIHE) has carried out further work on the data supplied by the 2001 NIHCS and will issue an in-depth report on fuel poverty in the near future but it is worth noting some of the more striking figures that are already available.

### **3.1 Comparison with Great Britain**

3.1.1 Fuel poverty is a much greater problem in Northern Ireland than in the rest of the United Kingdom due to our relatively low income and high fuel costs. 203,000 households in Northern Ireland suffered from fuel poverty in 2001. This is 1 in every 3 households. In England, 9% of households were fuel poor in the same period, and the latest figures from Scotland show that 13% of households there were fuel poor. The Republic of

Ireland uses a different method of assessing the number of fuel poor households based on subjective indicators of fuel poverty. Sustainable Energy Ireland (SEI) has estimated that some 62,000 households are in persistent (chronic) fuel poverty, with a further 165,000 experiencing intermittent (occasional) fuel poverty.

### **3.2 Geographical variation across Northern Ireland**

3.2.1 Within Northern Ireland, there was considerable variation. It is in the nature of statistical surveys like the 2001 NIHCS that figures become less reliable as the target area is narrowed, but the following table shows the variety of rates of fuel poverty that were found in each of Northern Ireland's 26 district council areas. In broad terms, however, it was found that there was little difference between the rate of fuel poverty in rural and urban areas, although fuel poverty can be particularly difficult to address in some isolated rural areas.

**TABLE 1: Fuel Poverty by District Council Area**

District Council Area	% of households in fuel poverty
Antrim	41
Ards	28
Armagh	29
Ballymena	40
Ballymoney	46
Banbridge	31
Belfast	39
Carrickfergus	23
Castlereagh	21
Coleraine	29
Cookstown	35
Craigavon	45
Derry	37
Down	27
Dungannon	23
Fermanagh	34
Larne	36
Limavady	41
Lisburn	27
Magherafelt	47
Moyle	38
Newry and Mourne	23
Newtownabbey	33
North Down	25
Omagh	34
Strabane	46
Northern Ireland Total	33

### 3.3 Tenure

3.3.1 There is a comparatively high rate of fuel poverty in NIHE housing, reflecting the fact that many tenants have low incomes, or are

dependent on benefits. However, over half of all fuel poor households are found in the owner-occupied sector.

**TABLE 2: Fuel poverty by tenure**

Tenure	Number of households in this tenure in fuel poverty	Percentage of households in this tenure that are fuel poor
Owner-occupied	104,708	24%
Privately rented	23,291	48%
Housing Executive	70,484	61%
Housing Association	4,779	27%

### 3.4 Age of head of household and household size

3.4.1 By age, the group most likely to be in fuel poverty was comprised of those households headed by a person aged 18-24. However, people aged between 60 and 74

and over 75 were very likely to be fuel poor. Looking at household size, single person households (50%) were most likely to suffer fuel poverty. These factors are likely to correspond to income.

**TABLE 3: Fuel poverty by age of head of household**

Age of head of household	Number of such households in fuel poverty	Percentage of households headed by a person of this age that are fuel poor.
18-24	9,403	57%
25-39	39,115	26%
40-59	52,714	24%
60-74	57,893	42%
75 plus	44,137	54%

3.4.2 Fuel poverty was found in over half of all houses with a head of household aged 75 or over. This is a matter of real concern as this frail elderly group is a very vulnerable group in terms of the risk of ill health from the cold.

### 3.5 Income and employment

3.5.1 There was found to be a strong link between income, employment and fuel poverty. A much smaller proportion of employed households were fuel poor compared with

unemployed households. The greatest number of *working* fuel poor homes were owner-occupied, but looking at the owner occupied sector as a whole, only 9% of employed heads of household were fuel poor. This strongly suggests that increasing employment will help to reduce fuel poverty. However, it is worth noting that nearly half (45%) of all NIHE homes in which the head of household worked suffered fuel poverty.

**TABLE 4: Fuel poverty by employment status**

Employment status of head of household	Number of such households in fuel poverty	Percentage of households in this group that are fuel poor
Employed	38,081	13%
Unemployed	29,515	65%
Retired from work (excluding those who are looking after the family home)	85,456	48%
Student in further or higher education	2,581	73%
Permanently sick or disabled	23,543	52%
Looking after family/home	23,905	68%
Other (including schoolchild)	180	28%

3.5.2 Not surprisingly, household income is a major factor in fuel poverty. The vast majority of households with total incomes under £10,000 per year were found to be fuel

poor, whilst very few of those with incomes of £15,000-20,000 per year were fuel poor. Above £20,000 per year, fuel poverty was very rare indeed.

**TABLE 5: Fuel poverty by income**

Total annual household income	Number of such households in fuel poverty	Percentage of Households in this income band that are fuel poor
Under £3,000	12,369	100%
£3,000 - £4,999	49,307	99%
£5,000 - £6,999	66,981	91%
£7,000 - £9,999	47,605	58%
£10,000 - £14,999	19,909	17%
£15,000 - £19,999	6,112	6%
£20,000 - £29,999	929	1%
£30,000 - £39,999	49	0%
£40,000 - £49,999	0	0%
£50,000 or more	0	0%

### 3.6 Illness or disability

52% of households headed by a person with a disability or long term illness were fuel poor.

#### Type of heating

- 3.6.1 There were clear links between heating type and fuel poverty, with more households that were heated by solid fuel glass fronted fires or electric storage heaters being fuel poor than those that were heated with oil or gas.
- 3.6.2 Northern Ireland's homes are much more likely to use solid fuel (and indeed heating oil) than other areas of the United Kingdom. The clear

link between use of solid fuel and fuel poverty shows that conversion of solid fuel heating to oil or gas should be a high priority, and it is vital that the price of these fuels is made low and stable.

### 3.7 Our analysis

- 3.7.1 The above findings are set out in broad terms to show that whilst fuel poverty is a complex issue, attention can be focussed on groups that are more likely to suffer from it. Northern Ireland's households have, on average, significantly lower incomes than those in the other countries of the United Kingdom, with a higher

proportion of households receiving most or all of their income from state benefits. 14% of all homes in which the head of households was over 60 had incomes before tax of less than £5,000 per year – more than half (55%) of this age group had incomes under £10,000. Increasing prosperity therefore seems likely to protect households from the risk of fuel poverty. Section 5.3 details what is being done to ensure that these households are getting the most income possible.

3.7.2 We are persuaded that whilst the rate of fuel poverty may not significantly differ in Northern Ireland's urban and rural areas, there is a real difference in the nature of the problem, and indeed the solutions that are needed. These solutions need to be sensitive to the urban/rural split. It is our view that the best solutions will arise from community level. In the later section on partnership, we describe how communities will be supported and developed so that they can engage with DSD and other organisations that address fuel poverty.

## 4.0 VISION STATEMENT

4.0.1 This strategy is guided by the vision of homes that are free from cold and damp, one of homes in which people enjoy living. These homes will be healthy and enhance the quality of their occupants' lives. Our vision is of a society in which people live in a

warm and comfortable home and need not be worried about the effect of the cold on their health.

## 4.1 Guiding principles

4.1.1 Associated with this vision are a number of guiding principles. These principles will be evident in all the programmes and projects that are put in place as a result of this strategy.

4.1.2 The Department's fuel poverty policy will:

- Be focussed on people.
- Adopt a partnership approach
- Build on the commitment of community and voluntary groups, businesses, local authorities and statutory agencies.
- Promote equality of opportunity, target social need and promote inclusion.
- Focus on the maximum practical help for households in fuel poverty.
- Seek to provide cost-effective solutions to fuel poverty.
- Benefit the environment.

4.1.3 Over the period covered by this strategy, we will judge the success of our policy by the extent to which our vision becomes a reality for the people of Northern Ireland, as well as by the number of households that remain in fuel poverty.

## 5.0 ACTION REQUIRED & DELIVERY MECHANISMS

5.0.1 We are committed to taking action to address all factors within our control, and to influencing others where that control lies outside DSD. This section describes the main actions that are being taken in Northern Ireland. The list is not intended to be exhaustive. As the strategy period progresses, it is likely that further opportunities will arise, and some programmes can be expected to shift their priority in response to emerging evidence of need. In its annual report, the NIFPAG (see section 8) may wish to comment on the relative priority accorded to each of the following areas of action. The resources projected and required are discussed in section 6.

### 5.1 Energy Efficiency Standards in Housing

5.1.1 By January 2006, the United Kingdom must implement the requirements of the European Union Directive on the Energy Performance of Buildings (2002/91). The Directive covers all buildings, but has specific implications for the housing sector. The DFP is currently progressing a review of the Northern Ireland Building Regulations that will set new standards for the energy efficiency of new buildings and those that are being substantially renovated. DSD will bring forward legislation to require home sellers and landlords to produce energy certificates at the point of sale or

letting, helping prospective buyers and tenants to make informed choices about their new home.

**New housing will be energy efficient, and should not therefore contribute to fuel poverty.**

5.1.2 In the social rented sector, DSD has been able to secure resources for the NIHE to improve the energy efficiency of its housing stock. In England, Registered Social Landlords have been required to meet a minimum standard for social housing that includes an important element of thermal comfort. This is known as the Decent Homes standard (see Appendix A). We are convinced that this minimum standard provides an assurance of housing quality for tenants of the NIHE and registered housing associations. In England, the target is that all social housing will meet the standard by 2010.

**We have decided that social housing in Northern Ireland should meet the same standard in the same timeframe. This will make a major contribution towards ending fuel poverty in the social rented sector by 2010.**

### 5.2 Fuel Costs and the Energy Companies

5.2.1 There are many constraints when it comes to reducing fuel costs. In particular, the cost of electricity in Northern Ireland is significantly higher than average prices in the rest of the United Kingdom. The high cost of electricity highlights the importance of ensuring that customers have access to the lowest tariffs, the most convenient

methods of payment and budgeting. DETI's Strategic Energy Framework complements this strategy in this area by aiming to achieve economically and socially acceptable energy costs in Northern Ireland.

5.2.2 We welcome the ongoing commitment of the Northern Ireland Authority for Energy (NIAER) Regulation to tackling fuel poverty, and recognise the energy suppliers' important contribution in this area. We also acknowledge the ongoing work of the General Consumer Council for Northern Ireland in representing the interests of customers on energy issues. **Where possible, there will be further co-operation.**

5.2.3 In 2000, DSD and the NIHE selected natural gas as the fuel of choice for the social housing sector and the various other energy efficiency schemes. This was the result of an economic appraisal of the various fuel types, taking account of the cost of fuel, the capital and maintenance costs of heating systems, and other factors, such as the environmental impact of each fuel. It was agreed that the economic appraisal would be periodically re-visited to take account of changing circumstances, and the first such review is taking place during 2004.

5.2.4 The cost of fuel is subject to international fluctuations in price as well as the costs of infrastructure and supply. Whilst it may not be possible to guarantee cheap energy, there must be recognition

that low fuel costs are in the interests of fuel poor customers. The energy companies, whether they are based in Northern Ireland or operate in the UK or world markets, need to take a responsible approach to their business. Energy customers in Northern Ireland should have access to affordable fuels.

5.2.5 The Energy Efficiency Levy is paid by electricity customers at an average of £5 each, and is used to support energy efficiency projects and initiatives, with a strong focus on fuel poverty. The Levy fund, managed by Northern Ireland Electricity (NIE), is now some £3.3 million per year. **DSD will discuss annually with NIAER/OFREG and DETI the appropriate level and use of the Energy Efficiency Levy, to ensure that it makes a significant impact on fuel poverty in Northern Ireland.**

### 5.3 Maximising Household Income

5.3.1 Section 3 of this document looked at the very strong links between household income and fuel poverty, and the NIHE's forthcoming thematic report on fuel poverty will produce more information on this issue. It is clear that the circumstances of households at the lower end of the income range can be dramatically improved by means of energy efficiency measures, and whilst that improvement should not be under-estimated, they cannot be taken out of fuel poverty without a concerted effort to maximise their income. At the lowest

income levels, the difference that can be made by accessing social security benefits, child support maintenance, housing benefit, rate rebate and tax credits may be crucial. We are therefore committed to encouraging households to claim their full benefit entitlement. The rate of benefit take up varies between the different types of benefit, and the main barriers to full take up have been identified as:

- Lack of awareness of the benefits system.
- The complexity of the benefits system and the complexity of the claiming process.
- Stigma attached to benefit receipt.
- Difficulty with self-identification of eligibility for benefits.
- The absence of networks to inform potential customers of benefit entitlement.

**5.3.2 We will consider how to ensure that people who seek help or advice for fuel poverty receive their full benefit entitlement.**

Benefit health checks may be one option if delivered in association with an energy efficiency scheme such as Warm Homes.

5.3.3 There has been a long standing policy of parity between the social security and child support systems that operate in Northern Ireland and Great Britain, and this policy has legislative force by virtue of sections 87 and 88 of the

Northern Ireland Act 1998. The effect is that there is a single system of social security, child support and pensions for the whole of the United Kingdom. People in Northern Ireland therefore pay the same rates of tax and National Insurance contributions as people in Great Britain, and have equal entitlement to benefits. Successive Governments have taken the view that the policy of parity in Social Security matters is in the best interests of the people of Northern Ireland.

5.3.4 The Social Security Agency has consulted on its benefits take up strategy. That strategy proposes to improve benefit take up by overcoming the different barriers that have been identified. This will be achieved through a combination of measures, including provision of clear advice, targeted at specific groups, using advisors and entering into partnerships with other organisations. The Welfare Reform and Modernisation Programme is rolling out a more efficient, customer friendly service, supporting Job seekers and Benefit applicants.

5.3.5 Whilst social security benefits provide a vital safety net, it is clear that the best means of maximising household income is to secure work for those who are able. We note the encouraging development of the Northern Ireland economy over recent years – the second fastest growing region in the UK in 2002 - with employment now at or near record

levels. Growth in employment in Northern Ireland is continuing. Our seasonally adjusted unemployment rate (5.2%) is now lower than London (6.8%), the North East of England (5.8%), Scotland (5.6%) and the West Midlands (5.4%) (source: DETI, quarter ended February 2004). Average earnings in Northern Ireland are somewhat lower than in Great Britain. In 2003, our average gross weekly earnings were £404.50, compared with £475.80 in Great Britain. However, growth in earnings here was higher in Northern Ireland at 3.7% than in Great Britain (2.4%) (source: DETI). The Department for Employment and Learning (DEL) is helping unemployed people to get jobs, for example, through the Bridge to Employment Programme which offers training in a range of skills. 83% of all trainees who successfully complete a Bridge to Employment training course successfully obtain employment. (Source: DEL).

## 5.4 Promoting Help for Fuel Poverty and raising awareness

5.4.1 DSD has discussed with the Council for the Curriculum, Examinations and Assessment (CCEA) how it can help to provide teaching resources for the delivery of the appropriate strands of the new curriculum. If teachers have sufficient useful information on fuel poverty and household energy use to help them deliver the new school curriculum, they will have the opportunity to influence behaviour in the home at an early stage. In particular, areas for teaching at key stage 3 such as

citizenship and sustainable development could use discussion of domestic energy costs and the wider impact of fuel use. There is certainly scope for students to use fuel poverty as a theme for a citizenship project – perhaps by engaging with vulnerable groups in their area and helping them to address their energy needs. **We therefore encourage our partner organisations to make available information, web links and other useful teaching resources where possible.** The energy efficiency message that is so central to tackling fuel poverty is already being delivered in schools by a number of partners.

5.4.2 It would be difficult to over-emphasise the importance of good information and advice in tackling fuel poverty, and this area must be developed and enhanced. Information and advice can help householders make choices about their use of energy that will help to keep costs down, or provide them with options for improving their household income. Information and advice needs to be tailored and targeted so that it reaches those who need it. **We will ensure that such information is directed both at specific client groups – such as older people, in partnership with key interest groups – and at specific geographical areas, such as in the council districts that have high rates of fuel poverty.**

5.4.3 Lasting change can result from energy efficiency advice. Experience shows that whilst behavioural change such as

switching off lights and unused appliances or closing curtains in the evenings can significantly reduce energy costs, this behaviour can be short-lived. Follow-up advice and ongoing information is important to ensure that such energy-saving actions are sustained in the longer term. Advice that influences a household's major buying decisions, such as the purchase of "A" rated appliances or insulating materials (in effect upgrading the energy performance of the home itself) will, of course, have a long lasting effect.

- 5.4.4 Advice services such as the Energy Efficiency Advice Centres (EEACs) have successfully delivered high quality information for some 9 years or so, and they have signposted eligible people to the various schemes and programmes that offer practical measures. They have also conducted outreach programmes to reach a larger target audience. We will therefore ensure that support for the EEACs continues. More can still be done, however, to ensure that information and advice reaches people in fuel poverty who are not usually inclined to make contact with advice providers. Our view is that locally-based networks are best placed to seek out families and individuals suffering fuel poverty. Such networks need to be supported and developed to ensure they have the necessary means to deliver their message effectively. The programme "Heatsmart", administered by

Bryson House, has shown that effective advice and guidance can be delivered in a targeted way. **We will with others, consider how this type of approach can be extended.**

- 5.4.5 During consultation, it was suggested that the relevant organisations co-ordinate their marketing activity to make best use of their limited resources. **We agree that this is a sensible use of resources and will explore how this may be taken forward in discussion with our partner organisations.**

## 5.5 Partnership

- 5.5.1 DSD is convinced that the best way to tackle fuel poverty is through partnership with the key organisations that have an influence on income, energy provision and efficiency and fuel costs. Of equal importance is the need for partnership with communities. A number of partnerships are already in existence, and we will look to an evaluation of their success to guide our future approach to tackling fuel poverty. **We will seek to build upon the strong partnerships that we have established with organisations outside central Government, and forge new links.**
- 5.5.2 The consultation paper set out the key areas of current and proposed activity, together with the partners that DSD expected to work with. Those are set out in the table below.

**TABLE 6: Key Partners**

<b>Area of Activity</b>	<b>Key Partners</b>
Raising public awareness of the key issues; facilitating research and policy development.	National Energy Action (NI) General Consumer Council for Northern Ireland Energy Saving Trust Fuel Poverty Partnership Group
Safeguarding the interests of energy consumers.	General Consumer Council for Northern Ireland Northern Ireland Authority for Energy Regulation (Ofreg)
Promoting domestic energy efficiency.	Northern Ireland Housing Executive Northern Ireland Electricity Phoenix Natural Gas Energy Saving Trust Ofreg
Direct advice to the public on energy matters.	Energy Efficiency Advice Centres Citizens Advice Bureau Independent Advice Giving Agencies Voluntary and Community Sector Energy Saving Trust Northern Ireland Housing Executive
Maximising the incomes of vulnerable people or those at risk of fuel poverty.	Social Security Agency Child Support Agency Citizens Advice Bureau Independent Advice Giving Agencies
Improving the quality of energy efficiency in Northern Ireland's Housing stock	
Social Housing Sector	Northern Ireland Housing Executive Registered Housing Associations. NI Federation of Housing Associations Department for Social Development
Private Housing Sector	Northern Ireland Housing Executive Department for Social Development Eaga Partnership
Promoting innovation in domestic energy supply and efficiency.	Department for Social Development Department of Enterprise, Trade and Investment Northern Ireland Housing Executive Voluntary and Community Sector Northern Ireland Electricity
Energy efficiency strategy and co-ordination.	Department of Enterprise, Trade and Investment
Raising public awareness of the key issues; facilitating research and policy development	

5.5.3 Working in close partnership will help to identify fuel poor people most effectively. When it comes to practical measures such as upgrading the energy efficiency of a home, getting the necessary resources is usually a major challenge for any project group. By drawing together all the available funding streams under a partnership project, the limited resources of a number of organisations (and other funding sources) can be used to best effect. This approach can harness resources of organisations whose primary aim may not be to relieve fuel poverty, but which seek to secure the environmental benefits that are obtained by improving energy efficiency. **We encourage the private sector to take a long-term view of the benefits to them of investing in fuel poverty.**

## 5.6 The social rented sector

5.6.1 The social landlords have a responsibility to provide safe and healthy homes for their tenants, and DSD's ability to secure funding for NIHE has ensured that its housing stock is either of a good standard of energy efficiency, or is included in a strategy for upgrade within the next 6 years. By and large, the Registered Housing Associations' stock is relatively new, and has been built under the more stringent building regulations that have evolved in recent years. The Decent Homes standard will be the yardstick by which the quality of social housing will be measured from now on.

5.6.2 The heating replacement policy of the NIHE will be a key method of

addressing fuel poverty in the social rented sector. By 2010, all existing glass-fronted room heaters will have been replaced with fully automated systems that use natural gas (where available) or heating oil. Whilst the room heater programme is prioritised to replace the oldest, most obsolete equipment first, it is important to note that a large proportion of heating conversions in NIHE homes have been carried out during disabled adaptations. In recent years, about a third of the 9,000 heating conversions carried out annually have been in response to the needs of tenants with disabilities. Heating and insulation upgrades are also taken forward as part of a combination works in multi-element improvement programmes.

5.6.3 Despite the relatively good standard of energy efficiency in the sector, fuel poverty must also be eliminated in the homes of registered housing association tenants. In this sector, a significant number of dwellings are heated using Economy 7. **It is our view that Economy 7 is nowadays only very exceptionally appropriate. In general needs housing, gas or oil-fired heating systems are much more suitable for the requirements of tenants. They are more controllable, efficient and affordable.**

5.6.4 Economy 7 heating is relatively prevalent in grouped accommodation – whether that is sheltered housing or other units with shared areas. Dwellings of this type may often be the ideal situation for combined heat and

power units (CHP). These units can supply both heat for space and water as well as generating electricity to meet some or all of the needs of occupants. The equipment can meet the needs of a number of such dwellings.

Potentially, CHP can provide a very cost-effective means of meeting the energy needs of these housing association tenants. We strongly encourage housing associations to explore CHP at the design stage when bringing forward grouped dwellings. **We will provide advice and assistance to housing associations that choose to install CHP. DSD, DETI and DFP are jointly funding a Community Energy Programme Co-ordinator to help stimulate and assist applications (including from housing providers) for grant support to install CHP.**

5.6.5 Using funding from DSD, the NIE Customer Levy, the Energy Saving Trust and Phoenix Natural Gas, the Cosy Homes Scheme provides support and assistance to housing associations to improve the energy efficiency of their properties. This involves the changing of electric Economy 7 heating systems to more efficient gas or oil systems, and other energy efficiency measures.

5.6.6 Only in the most exceptional circumstances will DSD approve installation of new electric heating in grouped dwellings. **We will engage with other partners to explore the best way to replace existing Economy 7 systems where they are contributing to fuel poverty.**

## 5.7 Housing in the Private Sector

5.7.1 In section 3, we showed the findings of the 2001 NIHCS with respect to the incidence of fuel poverty in owner occupied homes and the private rented sector. Tackling fuel poverty in this sector needs action on a range of fronts. Energy efficiency schemes such as Warm Homes have had considerable success in responding to the needs of vulnerable people who own their own homes or rent from a private landlord. It is therefore important that DSD continues to resource the scheme, and that it is promoted and marketed effectively. We have also listened to the views of those who felt the scheme was too narrowly focused in terms of eligibility and the measures available. We continue to believe that the priority being given to installing efficient heating systems for older people is appropriate because this group is at the greatest risk from the cold. However, in light of the findings of the 2001 NIHCS, and future surveys, we will consider if the package of measures should be enhanced for eligible applicants who are under 60 years of age but suffer from a disability or long term illness. **We will have to look carefully at the eligibility criteria used to ensure that they represent the closest possible match to those households experiencing fuel poverty.**

5.7.2 The Warm Homes Scheme provides a range of energy efficient measures such as insulation, draught proofing and advice to the value of £750 to home owners and private sector tenants in receipt of

certain benefits. Since July 2001, over £6.5 million has been spent on insulation measures resulting in 17,603 homes benefiting from lower energy bills. The Warm Homes Plus scheme provides gas or oil powered central heating systems as well as the insulation measures up to a value of £2,700. Since July 2001 nearly £16 million has been spent resulting in 5,501 homes benefiting from a warmer, more comfortable environment.

5.7.3 Drawing from experience of locally-based initiatives, we will ask the Warm Homes Scheme manager to bring forward proposals for more intensive marketing of the scheme in those areas that have the most severe problems with fuel poverty. **We call in particular for community leaders and elected representatives to engage with us in targeting need in such areas.** Such representatives can help to identify fuel poor households using local knowledge, and through their participation lend support to fuel poverty partnerships.

5.7.4 The EU Directive on the Energy Performance of Buildings discussed earlier in this section will bring a positive influence to bear on homes in the owner-occupied and private rented sector that are outside the scope of direct influence by DSD.

5.7.5 Concern was expressed during consultation that private sector landlords are not currently obliged to provide energy efficient housing for their tenants, and it was suggested that they be required to repair faults with heating systems

within a specified period (perhaps 24 hours). It was further suggested that tenants should be protected from eviction as a consequence of pressing their landlord to carry out repairs. **DSD is bringing forward legislation, to replace the Rent Order 1978, that will require tenancy agreements in the private rented sector.** The draft order, expected to apply from 2006, will be subject to consultation, but consideration will be given to specifying the roles and responsibilities of landlords and tenants in respect of repair and maintenance of heating systems. Together with DSD's proposed default terms of tenancy, this will help protect the interests of tenants.

## 5.8 Under-occupation

5.8.1 Families or individuals who live in large homes face particular difficulties in providing an affordable heating regime. These larger homes may have more rooms than the occupants normally use – often a number of unused bedrooms. We describe this issue as under-occupation, but this should not be read as a judgment on the use of the home. Such dwellings need to have heating and insulation sufficient to allow a full family life, and the challenge is to achieve this at affordable cost. Where there is a heating system in place, it should be flexible enough to allow heating of occupied rooms as and when needed – perhaps through the use of thermostatic radiator valves, and insulation must be carefully designed to best retain the heat generated.

5.8.2 We recognise that under-occupation can be a major issue for older householders, and in particular those who live alone.

We fully support the right of older people to live independently in their own homes for as long as they choose. **We are therefore committed to ensuring the appropriate advice and support arrangements are in place, particularly when older people are facing choices about their accommodation.** However, a difficult choice has had to be made in relation to the Warm Homes Scheme and any other similar schemes funded by DSD. We have limited resources to allocate and must ensure that they are used to provide the best possible support for the maximum number of people. Likewise, those who are eligible for schemes such as Warm Homes have limited resources and need an affordable answer to their heating needs. We have therefore decided that the package of measures should be applied to the most frequently used areas of such larger homes – normally the living area, kitchen, bathroom, hall, stairs and landing and at least one bedroom. This will be accompanied by appropriate draught proofing and ventilation measures to ensure that the property does not suffer from condensation or damp. This policy will be kept under review.

## 5.9 Innovation

5.9.1 Building standards, heating systems, insulation materials and technology generally are constantly developing and advancing and developments in the Building

Regulations in the next year or so will be particularly helpful. The result is that technologies once regarded as innovative are now tried and tested. One example is condensing boilers, which are now fairly commonplace for gas, although still rare for oil-fired heating. Renewable energy technologies were once hugely expensive and chosen only by people who were enthusiastic about their less adverse environmental impact. Whilst still costly, the price margin over traditional heating and electricity supply technologies is fast closing, and may do so at an accelerating rate if fiscal measures are introduced to combat climate change, and further incentivise community and individual household deployment of renewable energy.

5.9.2 We recognise that our leading role in domestic energy policy means that we can be a driver for the market transformation that will make innovative technologies an economical choice. At the time of writing, renewable energy technologies (and indeed micro combined heat and power units) cannot be justified for most energy efficiency schemes on grounds of cost alone. Therefore, for the time being, traditional measures will continue to be used for the large-scale programmes such as Warm Homes and the NIHE's housing upgrades. There is, however, considerable merit in testing and demonstrating these technologies in practice, and in helping the energy industry to work through the issues it faces in delivering such technology in Northern Ireland. We will therefore keep under review the

application of new technology and renewables. **We will collaborate with DETI in the development of policy in this area and seek to work in partnership with organisations that wish to apply innovative technological solutions to fuel poverty.**

5.9.3 In our view, the point at which innovative technological solutions for fuel poverty start to make economic sense will be reached earlier for properties that are not suitable for more traditional interventions. Such “hard to treat” homes are likely to be found in isolated rural areas which in the near future could benefit from the substantial heat output from emerging large scale CHP schemes aimed at disposing of animal and agrifood wastes through renewable energy technologies. We will work closely with DETI and DARD in seeking to ensure that where practicable such emerging heat resources are made available to the domestic housing sector.

5.9.4 Our encouragement of innovation is not confined to technological progress. **We will seek to support new ways of delivering help and advice to fuel poor people, particularly where this can harness community and voluntary effort and engage non-Government organisations.**

## 6.0 ASSESSMENT OF RESOURCES

6.0.1 The consultation paper “Towards a Fuel Poverty Strategy for Northern Ireland” set out the scale of resources that were expected to be directed at programmes that address fuel poverty over coming years. Those resources are substantial – some £1.27 billion by 2010. Significant improvements in the rate of fuel poverty will result from this investment. Energy efficiency standards in the social rented sector will, at the least, match those in the rest of the United Kingdom, by virtue of the Decent Homes standard. Energy efficiency improvements to NIHE stock alone will cost in the region of £30m per year.

**TABLE 7: Summary of resources**

Programme	Annual resources (2003/04 levels)
New build social housing	£74,305,000
NIHE stock maintenance and improvements, including heating replacement	£41,000,000
Warm Homes Scheme	£10,438,728
NIHE private sector grants	£41,211,252
Social security winter fuel payments	£53,717,750
Social security cold weather payments	£620,355

- 6.0.2 While the Registered Housing Associations do not face the same scale of problem in terms of energy efficiency, they do need to ensure that they have planned maintenance and improvement programmes to deliver the thermal comfort elements of the Decent Homes standard.
- 6.0.3 The energy efficiency of the owner occupied and private rented sector will continue to be addressed through the Warm Homes Scheme and the NIHE Private Sector Grants Scheme. Warm Homes is largely demand-led and this presents difficulties in assessing the resources it may need. Certain assumptions must be made to determine the size of the target group for Warm Homes – those who own their home or rent from a private sector landlord and who receive certain social security benefits. Information available from the 2001 NIHCS gives an indication of the likely level of need. Until subsequent surveys are completed, however, it will be difficult to assess the extent to which the situation has changed. For example, there was significant growth between 1996 and 2001 – before the inception of Warm Homes - in the number of homes that have central heating, and the upward trend may have continued.
- 6.0.4 An assessment of the number of people in vulnerable groups who suffer fuel poverty in the owner-occupied and private rented sector can be made by looking at households headed by those over 60 (retired from work), someone permanently sick or disabled or someone looking after a family. The 2001 NIHCS found that about 87,000 such households in these tenures suffered fuel poverty. Households headed by a person aged over 60 make up about three quarters of these vulnerable fuel poor homes. This does not fully capture the target group, since the categorisation is by head of household rather than by any household *member*, but it is a useful indication.
- 6.0.5 The 2001 NIHCS findings indicate that whilst the great majority (almost 128,000 or 92%) of fuel poor households in the owner occupied and private rented sector have central heating, a substantial proportion of those systems are powered by electricity or solid fuel. There could therefore be up to 40,000 fuel poor private sector households in Northern Ireland that would benefit from a new oil or gas heating system, a large number of which will be eligible for Warm Homes Plus. Over 24,000 fuel poor households headed by a person over 60 had no central heating, or used solid fuel or electric central heating. That figure will have changed since 2001, not least due to the intervention of Warm Homes Plus, but it still indicates the approximate size of the target group (many people will have turned 60 since then), DSD

may have to fund Warm Homes Plus grants of about £65 million over the period to 2010, at current rates. Additional costs will also be incurred in targeting and administering the scheme.

6.0.6 The size of the eligible group that suffers fuel poverty and could benefit from insulation measures is difficult to estimate, but our experience is that between 2 and 3 such households apply for Warm Homes for every 1 that qualifies for Warm Homes Plus. It seems reasonable, then, to estimate that a similar amount of money will be necessary to fund such work. More work is needed to refine these estimates.

6.0.7 Changes to the Northern Ireland Building Regulations, and higher than average inflation in the construction industry, will tend to drive up the average cost of Warm Homes work, and the combination of measures offered under the scheme will have to be kept under review if the scheme is to remain cost-effective.

6.0.8 We are confident that in virtually all cases, Warm Homes grants helped the household concerned to reduce fuel costs and achieve a warmer home. Unfortunately it is not yet possible to ensure that every energy efficiency measure under the Warm Homes Scheme will help a household in fuel poverty. A number of homes assisted will not be fuel poor, although it is likely, by virtue of

their benefit entitlement and the need for energy efficiency works to their home, that these households are spending a significant proportion of their income on fuel. The success of the Warm Homes Scheme in identifying fuel poor people was found by NEA(NI) to be at least 60%. This rate of success is good in comparison with other energy efficiency schemes in the UK, but it shows that unless targeting can be improved, the total spend may have to be 66% higher than if targeting was perfect. We therefore need to ensure that help is directed effectively at households that are suffering fuel poverty, and this may require some re-consideration of the passport benefits. The same study found that clients spent an average of 11.1% of their income before intervention and only 8.1% afterwards, so in broad terms the scheme is successful in taking people out of fuel poverty.

**6.0.9 We will use this analysis in establishing the requirement for resources for Warm Homes and other fuel poverty programmes.**

6.0.10 It is difficult to assess the number of people who are entitled to help, and who are made aware of the grants available but do not apply. In England, it is thought that this figure may be as high as 20% of fuel poor homes in the owner-occupied and private rented sector. The Government cannot force this group to accept assistance, but it is important to identify the factors that

make people decide not to apply for help. **This will be an area for further research during the period covered by the Fuel Poverty Strategy.**

## **6.1 Fuel Poverty Partnership Fund**

6.1.1 The scale and relative success of NIHE's programmes and the Warm Homes Scheme means that they will remain important in the strategy to eradicate fuel poverty. However, there may also be a case for supporting more locally focussed schemes to address fuel poverty among households that either do not qualify or do not apply for help under the mainstream programmes. This is particularly true of people in vulnerable groups who need help to engage with the organisations that provide grants, benefits or advice.

6.1.2 **DSD therefore intends to examine the need for and explore options for identifying the resources that can be used to support partnership approaches to tackling fuel poverty.** Any such arrangement would need to be flexible in nature and support activity at a local and regional level. It would be important to lever-in funding and other support from partner organisations. The arrangement would aim to provide practical help for people suffering fuel poverty, but that need not be exclusively in the form of buying or installing energy efficiency measures. It is important that resources are available to support the necessary activity involved in

identifying need, promoting awareness, training key individuals and co-ordinating effort. Projects that are supported may also provide the research or evaluation necessary to guide the implementation of the Fuel Poverty Strategy more generally. We would expect to work with community-based organisations to identify proposals for using any resources that became available and that the Minister for Social Development would determine the funding criteria and make decisions on major allocations, after discussion with the IDGFP (see section 8).

## **7.0 TARGETS AND MILESTONES**

7.0.1 It has been demonstrated that Northern Ireland has the highest rate of fuel poverty in the United Kingdom. This means that the job of eradicating the problem here will be much more difficult than in England, Scotland or Wales. However, it is Government's view that the extent and severity of fuel poverty here demonstrates that it should be a high priority for Government. People in Northern Ireland have the right to expect a commitment to eradicating fuel poverty that matches the most challenging targets set in the rest of the UK. For that reason, the high level targets are set out below. In advance of decisions on spending across the Departments in Northern Ireland, the targets have to be expressed with the added

condition “subject to securing the necessary resources”.

7.0.2 Government spending programmes are generally set over a three year time horizon, therefore it is not possible at this stage to predict with any certainty the quantum of resources that will be available to address fuel poverty over the timescale of this strategy. However, **subject to the availability of the necessary resources, DSD and its partners aim to eliminate fuel poverty in vulnerable households by 2010, and in non-vulnerable households by 2016. In addition, by 2010, no household in the social rented sector should suffer from fuel poverty.**

7.0.3 With only one reliable assessment of fuel poverty available to date, a number of assumptions have to be made to set milestones for the eradication of fuel poverty in Northern Ireland. The vast majority of fuel poor homes are occupied by people that we consider vulnerable, and we intend to focus intensively on the 2010 target for the first years of the Strategy period.

7.0.4 It is widely accepted that many households move into and out of fuel poverty over any given period of time, a process that has been called “churn”. Many households may well find themselves in fuel poverty for the first time during the period covered by this strategy, and so targets should focus on the number of households that still suffer fuel poverty at the

milestone dates. This approach is more focussed on outcomes than measuring activity, and it is a better indicator of the success of the fuel poverty policy than attempting to quantify the number of households that have been taken out of fuel poverty. However, as a starting point in setting the milestone targets, it is necessary to assess the impact of fuel poverty interventions.

7.0.5 The 2001 NIHCS found that some 181,000 households were “vulnerable fuel poor”. We do not yet know in detail the full impact of our energy efficiency interventions since 2001, nor do we know the full extent to which income measures have helped to reduce fuel poverty. It is likely that some households have gained enough income from the growth in benefit levels, new pension and tax credits, the minimum wage and increased employment, to move out of fuel poverty. However, there have been changes in the price of fuel that may have had a negative effect. Further House Condition Surveys should help us to understand those effects. However, it is reasonable to say that with a 60% success rate, at least 10,000 Warm Homes clients should have been taken out of fuel poverty, and that perhaps half of the 27,000 NIHE tenants who had heating upgrades were taken out of fuel poverty.

7.0.6 If both NIHE and the Warm Homes Scheme continue as planned in

coming years, they have the potential to reduce fuel poverty by 10,000 households by 2005, when the results of the interim NIHCS should be known. It is highly likely that the following milestones will have to be revised

at that stage, but as indicative targets, we wish to see fuel poverty in Northern Ireland reduce to the following levels or better. It will be apparent that this will call for greater success in identifying and helping fuel poor people, and

**TABLE 8: Milestone Targets**

Year	Number of vulnerable households that suffer fuel poverty
2004	158,000
2005	138,000
2006	110,000
2007	80,000
2008	50,000
2009	20,000
2010	0

7.0.7 Our analysis both demonstrates the need to improve our success when we intervene in fuel poor homes, and reinforces the need to accelerate our activity if we are to meet our targets.

**8.0 MONITORING, REPORTING AND REVIEW**

**8.1 Monitoring and Reporting**

8.1.1 The targets and milestones set by this strategy are ambitious and challenging. They require a substantial commitment on the part of Government in terms of

resources and they will need to be kept under review. It is important that all organisations that have a role to play are able to carry out their work in an effective and co-ordinated way. That requires strategic leadership, regular re-examination of the issues and a close scrutiny of the impact of the various programmes.

8.1.2 During consultation, we received many representations that the eradication of fuel poverty in Northern Ireland was of such importance and the problem so prevalent that the resources and

effort offered by Government could best be taken forward by a dedicated Ministerial group. **We agree that there would be considerable value in the establishment of a Ministerial group on fuel poverty, and when devolution returns, local Ministers will be asked to participate in it. In the interim period of direct rule, the Minister with responsibility for Social Development will draw together and chair an inter-departmental group of senior officials to take forward the implementation of the strategy.** This group will focus in particular on developing programmes that have linkages with organisations outside central Government. It will establish and strengthen the partnership approach to tackling fuel poverty.

8.1.3 This IDGFP will be made up of senior officials from the main Departments that have a role in addressing poverty and income, the energy market and energy efficiency and health. DSD will provide secretariat and other support for the Group as required. It is intended that the remit of the IDGFP will be as follows:

8.1.4 Outline terms of Reference of the IDGFP

- To take a strategic view of the policies and initiatives required to eradicate fuel poverty in Northern Ireland.

- To promote the partnership approach that forms the basis of the Fuel Poverty Strategy, across Government Departments and with the public, private and voluntary and community sectors.
- To have responsibility for the Fuel Poverty Strategy, assessing and seeking resources required, publishing an annual report and reviewing the strategy as necessary.

8.1.5 To date, the Fuel Poverty Partnership Group has been facilitated by the Energy Saving Trust (EST). This group, which is made up of officials of various Government Departments and other representatives of the public, private and voluntary and community sectors, provides a forum for interested parties to discuss fuel poverty and offer advice and guidance based on their experience and expertise. However, we agree with those who have emphasised the need for independence, and that an independent group can comment on progress against the goals defined by the Fuel Poverty Strategy.

8.1.6 **DSD will establish a *Northern Ireland Fuel Poverty Advisory Group*; separate from Government, but with access to officials and Ministers who will provide the information it requests.** This is likely to include research information and expertise

available within DSD and the NIHE. Consultation responses welcomed our proposal for a group of this kind. DSD will seek to appoint an independent chairperson as soon as possible, and draw together committed individuals with the knowledge and ability to contribute effectively to the Group. These individuals will most likely have a background in the many non-Government organisations that deal with fuel poverty, but will be asked to contribute in a personal capacity, rather than as a representative of their organisation. Membership will reflect a range of sectors and geographical areas

8.1.7 Given the enhanced role that is proposed, DSD will provide the necessary resources for this group, including ongoing secretariat costs and the production of its annual report. It is intended that the remit of the NIFPAG will be as follows:

8.1.8 Outline terms of Reference of the NIFPAG

- To consider and report to the IDGFP on the effectiveness of current policies in delivering reductions in fuel poverty and comment on additional policies that may be required.
- To identify barriers to reducing fuel poverty and propose solutions.
- To comment on Government's findings on the nature and extent of fuel poverty in Northern Ireland.

## 8.2 Review

8.2.1 The IDGFP will review the Northern Ireland Fuel Poverty Strategy each year, and will publish its conclusions in its annual progress report. The first such report should be published one year after the first meeting of the IDGFP.

## 9.0 RESEARCH AND EVALUATION

9.0.1 This strategy has described the kind of activity that DSD and others will carry out to tackle fuel poverty in Northern Ireland. The resources involved are substantial and the timescale for achieving targets is tight. It is important that such activity is based on sound evidence. DSD is therefore committed to supporting the research and evaluation that is needed to provide the evidence base for its programmes. **Any future programmes that aim to tackle fuel poverty must demonstrate how they identify and meet need, and include provision for evaluation that is proportionate to the scale of the programme.**

## 10.0 EQUALITY AND RURAL PROOFING

10.0.1 Under section 75 of the Northern Ireland Act 1998, all public authorities are required to have due regard to the need to promote equality of opportunity and to have regard to the desirability of promoting good relations. DSD is fully committed to complying with these statutory obligations and has set out in our Equality Scheme how we will fulfil those obligations.

- 10.0.2 These obligations are designed to ensure that equality and good relations considerations are made central to policy development and have the potential to make a real difference to the lives of the people most likely to be affected, by consulting with and taking into account, how policy development may impact on them.
- 10.0.3 In the consultation paper “Towards a Fuel Poverty Strategy for Northern Ireland” that was issued to representatives covering each of the section 75 groups, the Department committed itself to undertake an Equality Screening of any new proposals or policy options developed. The consultation paper also invited comments on any potentially adverse implications for equality of opportunity. In addition to the consultation paper, NEA, the fuel poverty charity, organised a number of public consultation events as well as some smaller focus group sessions.
- 10.0.4 During this extensive consultation exercise, no equality of opportunity issues were raised to indicate that the policy would have any adverse implications for any of the section 75 groups. It was widely accepted and welcomed that older people, persons with a disability or long-term illness and persons with dependent children under the age of 16 would be most vulnerable to the problems of fuel poverty.
- 10.0.5 The Department has now carried out a screening exercise, in accordance with the Statutory Equality Duty, on the Fuel Poverty Strategy for Northern Ireland that has been developed and finalised following the consultation paper. It has determined that a full Equality Impact Assessment is not appropriate based on the outcome of the screening exercise that found no significant implications for equality of opportunity. **Any new policies that may emerge during the period of this Fuel Poverty Strategy will be subject to further Equality Screening and if necessary Equality Impact Assessment(s) will be undertaken.**
- 10.0.6 This Strategy is applicable to everyone in Northern Ireland, and rural needs have been considered in its development. **We are committed to ensuring that new fuel poverty policies are rural proofed.**

## Appendix A

A Decent Home meets the following criteria:

**It meets the current statutory minimum standard for housing.** In Northern Ireland, this is the fitness standard, set out in schedule 5 of the Housing (Northern Ireland) Order 1992

**It is in a reasonable state of repair.** The dwelling satisfies this requirement unless one or more key building components are old and because of their condition, need replacing or major repair; or, 2 or more *other* building components are old and because of their condition, need replacing or major repair.

It has reasonably modern facilities and services. Dwellings that fail to meet this criterion are those that lack 3 or more of the following:

- A reasonably modern kitchen (20 years old or less)
- A kitchen with adequate space and layout.
- A reasonably modern bathroom (30 years old or less)
- An appropriately located bathroom and WC.
- Adequate insulation against external noise (where external noise is a problem).
- Adequate size and layout of common areas for blocks of flats.

**It provides a reasonable degree of thermal comfort.** This requires effective insulation and heating.

## Appendix B: Glossary of Terms

BRE	Building Research Establishment (centre of expertise on buildings, construction, energy, environment, fire and risk)
CHP	Combined Heat & Power. CHP is an efficient technology for generating electricity and heat together - there is simultaneous generation of usable heat and power (usually electricity) in a single process
Condensing boiler	An energy efficient boiler that has an extra heat exchanger to extract energy from the exhaust gases
DARD	Department of Agriculture and Rural Development
DE	Department of Education
Decent Homes	Proposed minimum standard of housing for Social Landlords including a reasonable degree of thermal comfort
DEL	Department for Employment and Learning
DETI	Department of Enterprise, Trade and Investment
DFP	Department of Finance and Personnel
DHSS&PS	Department of Health and Social Services and Public Safety
DOE	Department of the Environment
DSD	Department for Social Development
Eaga Partnership	Managing agents for the Government's main energy efficiency programme, the Warm Homes Scheme
Economy 7	An alternative to the standard NIE Domestic tariff. Some customers use Economy 7 Automatic, a controlled circuit for approved heating appliances, with the hours of heating controlled directly by NIE, depending on weather conditions
EEAC	Energy Efficiency Advice Centre
Energy Efficiency	The amount of energy used to achieve an outcome – such as air temperature in the domestic setting
EST	Energy Saving Trust
HECA	Home Energy Conservation Authority
IDGFP	Inter-Departmental Group on Fuel Poverty
ISMI	Income Support Mortgage Interest relief

**Appendix B: Glossary of Terms** *(continued)*

NEA (NI)	National Energy Action (Northern Ireland)
NIAER	Northern Ireland Authority for Energy Regulation
NIE	Northern Ireland Electricity
NIFPAG	Northern Ireland Fuel Poverty Advisory Group
NIHCS	Northern Ireland House Condition Survey - conducted every five years across all tenures to assess the fabric of properties and capture socio-economic information about the residents
NIHE	Northern Ireland Housing Executive
OFMDFM	Office of the First Minister and Deputy First Minister
OFREG	Office for the Regulation of Electricity and Gas
Renewable Energy	Renewable energy comes from sources that are essentially inexhaustible, such as the sun, the wind, moving water and the heat of the earth, or from replaceable fuels such as plants
RHA (Registered Housing Associations)	Housing Associations that are registered with the Department for Social Development to provide both general and special needs housing
SAP	Standard Assessment Procedure. The SAP is the Government's recommended system for energy rating of dwellings. The procedure produces the SAP rating, on a scale from 1 to 120, based on the annual energy costs for space and water heating. The higher the SAP rating, the more energy efficient the building
SEI (Sustainable Energy Ireland)	The independent statutory authority in the Republic of Ireland that pursues, on behalf of Government, policies on sustainable energy, climate change and other energy issues
SSA	Social Security Agency (an Executive Agency within the Department for Social Development)
Under-occupation	Where the size of the property is disproportionate to the number of occupants
Warm Homes Scheme	Warm Homes and Warm Homes Plus are the main instruments used by DSD to provide a range of energy efficiency measures to owner-occupied and privately rented households. Eligibility is based upon receipt of certain social security benefits

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