



Action for Warm Homes
Northern Ireland

**National Energy Action Northern Ireland's
response to the Department for Communities
'Changes to the Affordable Warmth Scheme'
Consultation**

February 2018

Introduction

Response

NEA NI welcomes the opportunity to respond to the Department for Communities review of the Affordable Warmth Scheme.

There has been a commitment from Government in the form of grants, for fuel poverty for over 20 years and this scheme continues to provide much needed support for households.

We commend this commitment and indeed call on Government to redouble this investment to target the alarming levels of fuel poverty in Northern Ireland.

Poor housing standards are responsible for the impaired physical and psychological health of millions of UK households. The links between low indoor temperature and poor health have been well understood for many years. Cold homes increase the likelihood, repetition and the severity of respiratory and cardiovascular illnesses hence leading to increased excess winter death rates as outlined above. The links between dampness and mould growth on asthma and allergies are also well known and understood as well as the impact that a cold home has on poor mental health, low self-esteem, educational performance and social isolation.

Improved insulation and heating standards are seen as the most rational and sustainable means of mitigating heating price increases and ensuring affordable warmth.

Households who have received measures under the Affordable Warmth Scheme and its predecessors have benefited from warmer, healthier homes and reduced fuel bills. The benefits of delivering energy efficiency are huge and provide more affordable energy to the most vulnerable families in Northern Ireland. A national scheme targeting low income households is needed to reduce postcode lottery risks and to ensure eligible households are reached. Energy efficiency investment delivers net value to Northern Ireland and supports many full time skilled jobs across the country.

At the time of writing the Northern Ireland Assembly has yet to be re-established, however, we believe the proposed changes, which will improve the scheme, can be made within the Department for Communities existing authority levels within the civil service.

We have made a number of points below which fall outside the proposals and hope they are useful in shaping the Affordable Warmth Scheme.

Targeting

We understand that the Department for Communities will commission the Ulster University to re-run the mapping algorithm in the near future to reflect the changes as outlined in the consultation document. We commend the targeted approach and also recommend that householders who have been previously targeted via the maps, but were ineligible due to the income and benefit criteria, should be retargeted to reflect the new eligibility criteria.

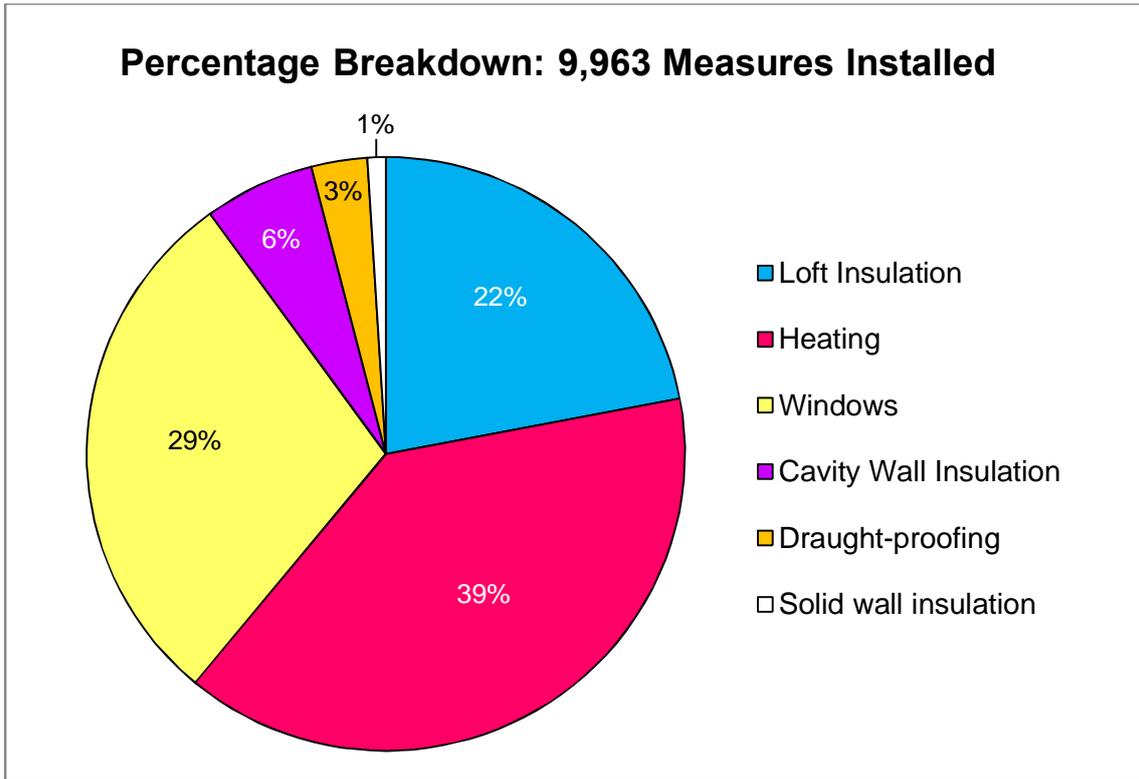
We see the benefits of the self-referral mechanism and call for this to be retained. While targeting will identify significant numbers of eligible households, there is the risk of the postcode lottery leaving behind very vulnerable families. The evident demand for self-referral requires no further resources.

Measures

Due to the higher level of works being carried out and the move towards a whole house solution per dwelling, there are fewer homes targeted than in the previous Warm Homes Scheme. While this is understandable, there needs to be further funding to ensure more homes are targeted to meet the 33,000 homes originally intended. Additionally, there needs to be more data provided on why the levels of completions are still low and a breakdown of spend per household. This would assist in identifying potential problems in the customer journey. Is there an adequate level of human resources invested at Council level?

It has been difficult to obtain meaningful data apart from the headline statistics of the number of homes improved and measures installed¹.

¹ HECA Annual Progress Report: April 2016 . March 2017



What remains clear from the published figures² is that allocations for boilers and windows are amongst the highest proportion of measures being installed. Whilst the policy of the scheme is based on four priorities, we feel that the emphasis seems to be edging further away from Priority one: Insulation, ventilation and draught-proofing. Indeed our own fieldwork does back this up and whilst apparently every house is surveyed and assessed for measures needed; there is insufficient data within the document for responders to analyse the main reasons for the distribution of measures. We appreciate that this may be for a number of reasons, perhaps the householder has already had priority one measures installed or the dwelling is inappropriate for these measures, however we call on the Department for Communities to provide more granular information to enable us to make a meaningful analysis on the Affordable Warmth Scheme.

We also note that the measures in Priority Two to replace defective radiators and install controls were removed from the scheme without any public announcement or reason³. Can the Department for Communities please clarify if this is the case and if so why have these measures been removed? Replacing defective radiators and the installation of controls should be fundamental to any programme to improve heating systems within homes.

² https://www.nihe.gov.uk/home_energy_conservation_report_2017.pdf

³ https://www.nihe.gov.uk/index/benefits/affordable_warmth_scheme.htm

Quality standards

Given that the technical survey encompasses the whole house energy efficiency needs, our recommendation would be assurance that technical surveyors are equipped with the necessary competence and accreditation to assess the whole dwelling. Learning from experience and continually refining the scheme must form an integral part of the Department for Communities role. The report in 2008 conducted by Northern Ireland Audit office⁴ on the Warm Homes scheme presented findings on the levels of quality standards and an independent assessment of installations was carried out. ***Has there been an independent evaluation carried out for the Affordable Warmth Scheme? If not, we recommend the Department for Communities would timely to do so.***

The Private Rented Sector

A key concern for NEA is that the proportion of Private Rented Sector tenants utilising the scheme is particularly low at 11%. We believe that this is due to the fact that landlords are required to contribute 50% of the funding for the measures. While we understand why this was introduced, it is understandably a barrier for landlords and will have extremely negative outcomes for households within the private sector who are suffering from fuel poverty. The Private Rented Sector has been historically the highest tenure affected by fuel poverty and this means a significant proportion of the 33,000 identified as being in severe fuel poverty are impacted. The Department for Communities needs to address this key issue and a specific target needs to be set in the new Fuel Poverty Strategy to address the needs of the fuel poor within the Private Rented Sector. There are already targets in place within England and Wales to bring the Private Rented Sector up to EPC rating of E (SAP 40-54) by April 2018, Northern Ireland should follow their lead. ***We recommend introducing a strategy and action plan to target the Private Rented Sector.***

⁴ <https://www.niauditoffice.gov.uk/publication/warm-homes-tackling-fuel-poverty>

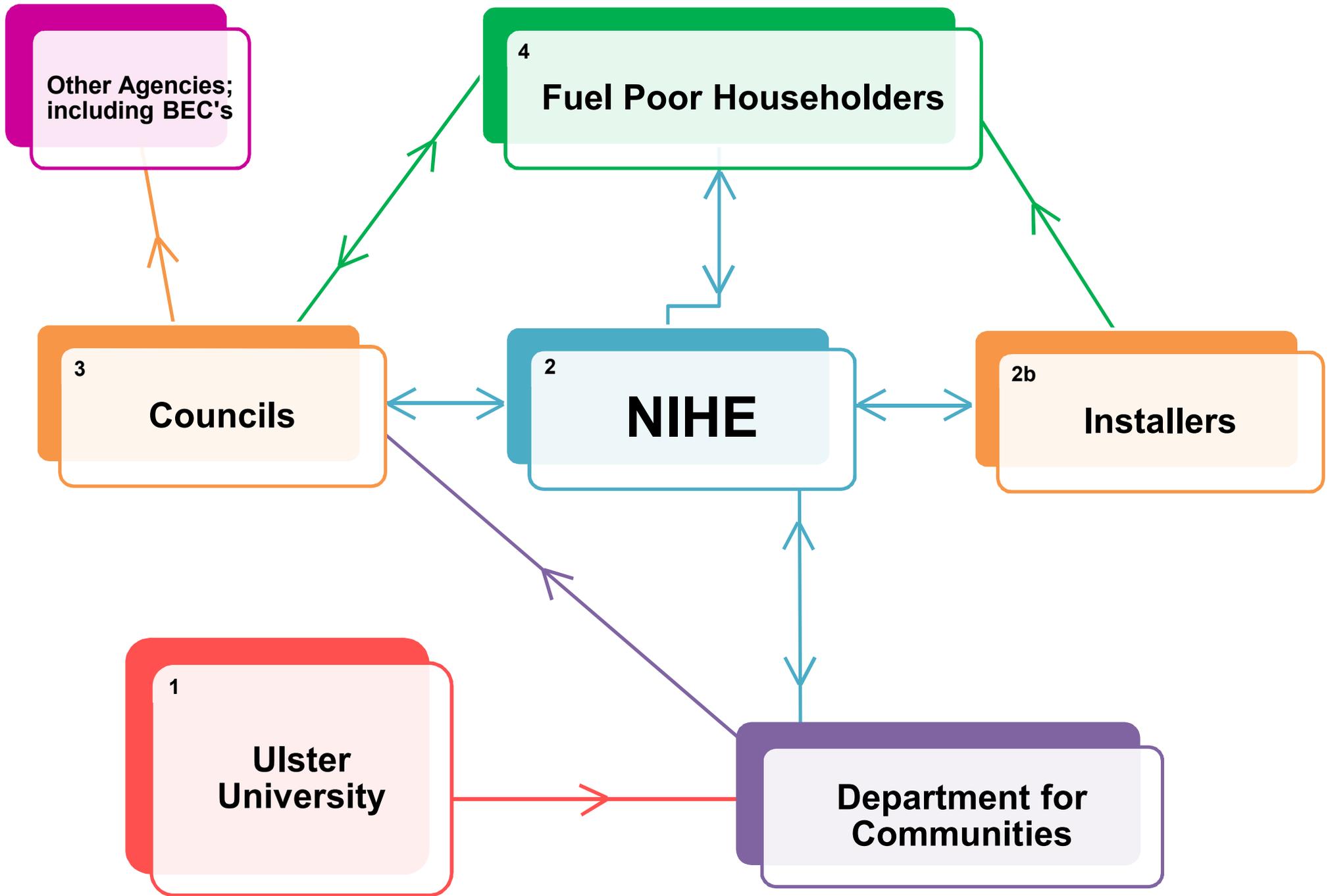
Proposals

Proposal one: *That one installer should manage the installation of all measures to the household is the preferred delivery method.*

This is fundamental to the overall success of the Affordable Warmth Scheme and while simplistically put is much more complex to unpack not least because there is a dearth of information on what currently happens and on dropout rates and timescales. If we had this information it would be much clearer to provide a meaningful response to the above proposal.

That said we have spent time talking to a range of stakeholders who are involved in the delivery of the scheme, including people receiving the measures, and have made a number of what we hope, are helpful comments.

Below we have set out a diagram which we believe outlines what the roles and responsibilities of each of the stakeholders should be.



Appointment

1. Ulster University:

- Identify areas where vulnerable people in poorest housing live; and
- Maps are sent to Department for Communities.

2a. NIHE:

- Accreditation of Installers;
- Initial technical survey;
- Advise householders on measures within priorities 1-4 and other energy efficiency measures including lighting and water efficiency should be considered;
- Quality assurance/technical inspection and Building control approval;
- Householder after care;
- Advice to householders;
- Handholding for customer throughout the process; and
- Payment made to Installers, **not householders**.

2b. Installers

- Accreditation of Installers;
- Quality assurance/technical inspection and Building control approval;
- Householder after care;
- Advice to householders;
- Completion of works;
- Handholding for customer throughout the process; and
- Forward invoices to HUB for payment.

3. Councils:

- Receive maps from Department for Communities;
- Initial contact with householder;
- Check eligibility; and
- Refer householder to HUB and other agencies.

At the top of the diagram we have positioned the fuel poor households and their needs should be integral to the scheme.

As indicated, the Northern Ireland Housing Executive sits at the hub of the scheme and their role is central to the smooth flow of the process. There is much cross over with the Council, the Northern Ireland Housing Executive and installers and it seems to us that responsibility levels can be somewhat blurred.

The scheme currently leaves quite a bit of control to the householder who we know would like more guidance from the Northern Ireland Housing Executive. Some householders find it quite daunting to employ their own installers and at this point it would seem sensible to have more householder direction. We do know that some excellent installers are currently managing this process well and indeed work to naturally co-ordinate the work schedules however we believe that this needs more scrutiny and oversight.

Do we need to introduce another layer in the scheme to provide this handholding and oversight and if so, how much will this cost? Once again we reiterate our concern that the information to make this decision is not readily available to make a meaningful response.

The term installer is ambiguous as this relates to the skilled person who physically carries out the work, however the document suggests a broader term such as a service provider managing the transaction of the measures and recruiting the contractor to install the measures.

Many households are ill, have literacy or sensory issues which can be major disincentives to see the grant process through. The application process could be a potential barrier to moving the process along. Under the previous scheme and the current Northern Ireland Sustainable Energy Programme (NISEP), applicants are simply required to provide proof of eligibility. This should be the case with the Affordable Warmth Scheme.

Currently any issues after the grant is paid are between the householder and installer who carried out the work. This is not a practical method when dealing with vulnerable households and we understand that some householders are paying first and having to wait on the grant payment from the Northern Ireland Housing Executive. ***This should not be allowed and we strongly recommend that this option should be removed from the schedule.*** The installer should only be paid once the building control process is complete and this also

protects the customer. A certain level of accountability and a full accessible system for addressing any issues should be clearly set out for the householder.

We also suggest a yearly service of boilers after the installation to protect guarantees. Could this be built into the measures from the outset?

Priority jumping

It has also been a consistent complaint that priorities are being skipped. In particular, the Cavity Wall industry believe that the evidence emerging would suggest that some areas are not adhering to the priorities and jumping to priority two.

Other issues have been raised around the outworking of the scheme and it would seem that many of the issues could be worked through if the key parties had a strong mechanism established to do so. ***We therefore strongly recommend that an independent Steering Group is established to provide clear oversight and direction for the scheme.*** Key members should include the Northern Ireland Housing Executive, Council, Building Control, recipients of the scheme and NEA. Only then will we be truly able to understand the outworking of the scheme which seems to be somewhat unwieldy. We also recommend that a thorough review of the customer journey is carried out which can uncover key issues and highlight both good and bad practice.

Proposal two: The Department proposes to raise the income threshold to £23,000 for households with more than one adult and reducing it to £18,000 for all single person households'.

NEA has no strong objection to this proposal but we would favour more data and methodology on the arrival of these figures. The Department for Communities public consultation event session provided an average income per claimant as £14,000 so it would be useful to obtain a breakdown of statistics showing those turned down due to being over £20,000. Many of these will be in receipt of Disability or Carer benefits therefore due to proposal three we reiterate that they should be invited to reapply.

Using the most recent Northern Ireland Statistics and Research Agency (NISRA) statistics, the Houses below average income report showed an average income of £22,000 therefore

the figures above would appear reasonable. However, the £18,000 may be too low for single occupants.

It should also be taken into consideration that those with care and mobility issues require more heating during the day.

Proposal Three: *The Department proposes that disability living allowance, attendance allowance, personal independence payment and carers allowance are not included in the calculation of income for the Affordable Warmth Scheme.*

We fully endorse this proposal and are eager for this policy to be implemented. As with social security means tested benefits and community care assessments; disability benefits are disregarded as income (excluding carers allowance) these allowances are paid for the person's care and/or mobility needs. As the document states, people with disabilities would be vulnerable to fuel poverty.

We would again reiterate the point made earlier that previous ineligible households should be included in the roll out of the scheme and given the opportunity to reapply.

Proposal Four: *The Department proposes the removal of the additional boiler replacement criteria of a member of the household being over 65 or having a child under 16 years of age or having a disability.*

We understand that households who have no heating do not have to adhere to these criteria. There should still be an element of priority for these groups. The amount of referrals progressed is still restricted to an extent and to open up this to all could result in greater demand and subsequent pressure on resources with those most vulnerable getting potentially overlooked. A possible point or categorisation system could ensure that those who require boilers could be prioritised. The current system of placing an urgent emphasis on those with no heating at all should remain the standard. Emphasis on the fabric and heat loss of the dwelling should also be adhered to.

Recommendations

1. Establish the steering group to provide clear oversight and direction for the Affordable Warmth Scheme.
2. Carry out an independent evaluation of the scheme.
3. Introduce a strategy and action plan to target the Private Rented Sector.
4. Remove ability for the householder to be paid the grant directly from the Northern Ireland Housing Executive.
5. Build in the cost for an annual service of a boiler after the installation.
6. Ensure low income households with the highest energy costs are prioritised for assistance.
7. Overcome poor quality installations by setting clear and enforceable quality standards.
8. Include targets to increase the SAP rating to over 60 for each dwelling within the scheme.

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