



Action for Warm Homes
Northern Ireland

**National Energy Action NI
Response to
The Consumer Council for Northern
Ireland's Draft Corporate Plan
2021-2024 Consultation**

February 2021



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About NEA

NEA is the national fuel poverty charity working to secure affordable warmth for disadvantaged energy consumers. NEA's strategic aims include influencing and increasing strategic action against fuel poverty; developing and progressing solutions to improve access to energy efficiency products, advice and fuel poverty related services in UK households and enhancing knowledge and understanding of energy efficiency and fuel poverty.

NEA seeks to meet these aims through a wide range of activities including policy analysis and development to inform our campaigning work, rational and constructive dialogue with decision-makers including regulatory and consumer protection bodies, relevant Government Departments, the energy industry, local and national government and we develop practical initiatives to test and demonstrate the type of energy efficiency programmes required to deliver affordable warmth.

NEA is primarily concerned with energy policy whilst maintaining a watching brief on social justice policies including income inequalities and levels of poverty in Northern Ireland.

Protecting vulnerable customers is our key aim, so we work both reactively and proactively to ensure policy makers and regulators recognise the needs of the vulnerable in its widest sense. With tighter household budgets it is more important than ever that consumers are getting the best deal. Paying for domestic energy makes up a substantial portion of total household expenditure, so it is of specific concern to us but is often relegated in the ever-busy policy environment.

Background

Based on the 2016 House Condition Survey, Northern Ireland has a rate of fuel poverty at 22%. It is also estimated that there are approximately 43,800 households in extreme fuel poverty, which means they need to spend over 15% of their total income to heat their homes. Additionally, one in five households in Northern Ireland are living in poverty.

The cold kills, and between August 2017 — July 2018 there were 1,500 excess winter deaths in Northern Ireland. According to the World Health Organisation (WHO), a third of these deaths are directly attributable to living in cold damp homes. The impact of COVID-19 will have greatly increased these numbers with the full significance yet to be known.

Additionally, and unique to Northern Ireland, 68% of all households are reliant on home heating oil, a non-regulated fuel. This leaves many households in a precarious position and we believe that this industry needs some form of oversight to ensure adequate protection for vulnerable consumers.



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Response

The Consumer Council for Northern Ireland (CCNI) plays a fundamental role in providing vital information, advice and advocacy for all consumers in Northern Ireland, with a focus on vulnerable consumers. This work has great importance for NEA and many organisations throughout Northern Ireland, both strategically and operationally, and we welcome the opportunity to respond to this Draft Corporate Plan 2021–2022.

We agree with the overall focus of the plan and given the very challenging external environment, we believe that you have captured the correct priorities of decarbonisation, COVID-19, EU exit and digitalisation.

COVID-19, in particular has exposed the stark inequalities that exist in our society and while this is not surprising to many of us, it is scandalous that it took a Pandemic to shine a light on deeply entrenched health inequalities, such as those living in cold and damp homes. We need to use all policy levers to protect the interests of consumers across electricity and gas and with 68% of households reliant on domestic home heating oil, we call on the CCNI to work and use its influence to look at how it can extend these protections across the oil sector. We do acknowledge the excellent work that CCNI currently carry out in relation to the oil comparison online which we promote and encourage individuals to use.

The need for decarbonisation and the developing pathways to deliver net zero will also mean that CCNI needs to ensure that consumers are protected in the new emerging energy market, ensuring fair outcomes for consumers with the necessary protections. The move to net zero must enshrine the principles of a just transition leaving no one behind and ensure that those contributing to the change should benefit. With the high cost of decarbonisation, thought needs to be given to options to mitigate the impacts on fuel poverty.

We believe that the strategic objectives in the corporate plan are sound and interlinked. Our strategic focus is around protecting vulnerable households and prioritising via the 'worst first model' and in that vein protecting consumers in the first instance is vital. That said, in order to do this, we need to understand the issues in order to design and develop policy options to eliminate or mitigate, so we do believe that all the objectives are required in the round.

In relation to outcomes, we agree that the plan should be aligned to all the existing strategic plans and in particular the Programme for Government. NEA would like to see explicit outcomes and measurements around the reductions in excess winter/COVID-19 deaths, and warmer healthier homes with measures and targets set around these outcomes.

The broader role of the CCNI can and does contribute to many of NEA's strategic objectives, particularly in energy as highlighted by our joint Memorandum of Understanding (MOU), which



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underpins the value which we place on our working relationship. This can be demonstrated clearly through our joint work on the NEA's Energy Justice Campaign (EJC), the Fuel Poverty Coalition Northern Ireland (FPC) and the Consumer Vulnerability Working Group (CVWG), chaired by CCNI. Additionally, CCNI's commitment to the importance of energy efficiency and the role it places on tackling fuel poverty is also clearly evidenced in the FWP, and by the previous commitment for all staff to undertake training on the NEA/City and Guilds Level 3 Award in Energy Awareness 6281-01. The value of this training is broad and deep, and we recommend that this training continues and look forward to discussing the benefits of this both for the organisation and your people.

We believe that you have achieved the right balance of information and note the work on the emerging Energy Strategy and the important role that CCNI plays in this process. We also wish to highlight the importance of the new Fuel Poverty Strategy process which is imminent, and we are pleased to see you have referenced that in the FWP.

And finally, due to the extremely high levels of domestic pre-payment meters (ppm) in Northern Ireland (45% in electricity market, 65% in Gas Greater Belfast and 85% in Gas Ten Towns), we believe there is a need for research into the ranges of aspects of coping with a ppm. We need an understanding issues of self-disconnection, rationing, consumer behaviour, accessibility, ease of use, PayPoint issues and many other aspects and while the Utility Regulator (UR) are set to carry out some research around this issue, it would be useful to understand the parameters of the research needed to ensure we get the insights and information we need.

Once again, we thank you for the opportunity to respond to you with these comments. We look forward to maintaining and sustaining our working relationship with The Consumer Council now and into the future on our many areas of mutual association.

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Appendix: Fuel Poverty Overview

- Fuel Poverty is the nexus of 3 factors; low income, high energy price and energy inefficiency.
- Fuel Poverty has multiple consequences including mental and physical health impacts.
- 1,500¹ excess winter deaths occurred across Northern Ireland in 2017–2018 with 30% attributable to living in cold homes².
- Improving the energy efficiency of the house is the most effective way of reducing fuel poverty, alongside maximising income and reducing the cost of energy to the householder.

The latest Northern Ireland Housing Executive House Condition Survey was released in May 2018 and provides an overview of the housing stock in Northern Ireland, as well as the latest fuel poverty statistics.

Key findings:

- There are approximately 780,000 domestic dwellings in Northern Ireland.
- Owner Occupier is the largest tenure at 63% with the Private Rented sector and Social Housing sector at 17% and 16% respectively.
- **Fuel Poverty decreased to 22%, 160,000 households.**
- **The mean SAP rating improved from 59.63 in 2011 to 64.84.**
- 99% of dwellings had central heating.
- Oil remains the largest type of heating source at 68% of households.
- More than half (52%) of households living in old properties (Pre–1919) were living in fuel poverty.
- 55% of households living in fuel poverty had an annual income of less than £10,399.

¹ <https://www.nisra.gov.uk/publications/excess-winter-mortality-201718>

² http://www.euro.who.int/_data/assets/pdf_file/0003/142077/e95004.pdf