



Action for Warm Homes
Northern Ireland

National Energy Action NI
Response to the

Committee for Agriculture, Environment and
Rural Affairs

**'Call for evidence and views on the Climate
Change Bill'**

June 2021



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About NEA

National Energy Action (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

Unfortunately, many households in Northern Ireland face the prospects of cold homes, especially during the winter months. 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.

We know that the cold kills. The Northern Ireland Statistics and Research Agency (NISRA) estimate that the Excess Winter Deaths (EWD) for 2019/20 was approximately 600¹. However, one impact of Covid-19 on mortality in Northern Ireland has been to inflate the number of deaths usually seen in non-winter months (April to July in particular), which has in turn led to the seasonal winter excess being lower than usual. If all deaths where Covid-19 was the underlying cause of death are removed from the analysis and the EWD value re-calculated, the estimated figure increases to 910, which is more in line with the five-year average of excess winter mortality from 2014/15 to 2018/19 (967).

It is important that we recognise that EWD in Northern Ireland can fluctuate greatly from winter to winter. This is obvious when we consider that between December 2017 and March 2018 there were 1,620 Excess Winter Deaths, which represented the highest EWD value recorded since 1999/2000.

¹ Northern Ireland Statistics and Research Agency (NISRA), Excess Winter Mortality NI Report 2019-20,. Accessed online: <https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/Excess%20Winter%20Mortality%20NI%20Report%20201920.pdf>



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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.

Response

NEA welcomes the opportunity to respond to the Committee for Agriculture, Environment and Rural Affairs 'Call for Evidence and views on the Climate Change Bill'. In principle NEA believe that Northern Ireland has a responsibility to contribute equitably to reducing the UK's greenhouse gas emissions in a bid to achieve the UK Net Zero targets. NEA recognise that the impacts of Climate Change disproportionately impact poor and vulnerable members of society (including the fuel poor) on both a local and global scale. Northern Ireland therefore has a shared responsibility to act if we are to mitigate these impacts both in the short term, and for future generations.

The transition to Net Zero will mean that Energy policy in Northern Ireland is set to embark on the most dramatic period of change in Northern Ireland's history. Whilst this change will bring many opportunities for energy users; including access to clean fuels, the role out of new home heating technologies and improvements to the existing energy infrastructure, it also presents a number of challenges and risks that users and households will need support to overcome. Ensuring that the most vulnerable households are supported through this transition is our primary concern.

For many households, the cost of energy has relatively little impact on how much energy is used in the home. However, for households living on a low income, energy usage makes up a significant portion of their household expenditure. Northern Ireland continues to have amongst the lowest levels of household income across the UK and the highest weekly household expenditure on energy of any UK region. Taken in conjunction with challenging economic conditions as well as the ongoing global pandemic, many families continue to face challenges with meeting their energy costs, and therefore keeping their homes warm, safe, and healthy. Households on lower incomes and vulnerable consumers in Northern Ireland perhaps stand to gain more from a just transition than any other grouping. However, this group is equally at risk should new policies and strategies fail to deliver for their benefit.

Whilst NEA recognise that Energy Policy falls under the remit of the Department for Economy. We believe that a joined-up holistic approach will be required if Northern Ireland is to successfully transition to Net Zero. We believe that it is important that the Climate Bill makes provisions to protect those who are most vulnerable in our society during the transition.

NEA believe that all households in Northern Ireland will need support to decarbonise, but it is paramount that those considered the most vulnerable are supported first and foremost. We know that approximately 43,800 households in NI are in extreme fuel poverty, which means they need to spend over 15% of their total income to heat their homes. We also know that cold, damp and unhealthy homes cause acute unnecessary hardship, resulting in a number of health impacts, further strain on the local NHS provision, and can lead to premature mortality. We have attached a short brief

on Excess Winter Deaths in Northern Ireland along with this response to provide the Committee with further information on the impacts of fuel poverty in Northern Ireland.

NEA believe that energy efficiency should be considered the ‘first fuel’ to tackle Fuel Poverty in Northern Ireland. We know that energy efficiency improvements offer a tried and tested cost-effective approach to reducing household carbon emissions, whilst also alleviating the hardships on fuel poor households and contributing to ensuring warm, safe, and healthy homes.

It is estimated that poor insulation means around £1 in every £4 currently spent heating UK homes is wasted². The Home Energy Conservation Authority (HECA), led by the NI Housing Executive, annual report shows a current annual investment of £21million on energy efficiency in Northern Ireland. To align with 2050 UK Net Zero commitments, it is estimated that policies would need to drive an annual peak of retrofits for over 50,000 buildings within the next decade³. By comparison, current energy efficiency programmes in NI deliver measures for approximately 16,500 buildings per year, indicating that a doubling or trebling is needed.

Whilst investment in energy efficiency will need to be dramatically scaled up if Northern Ireland is to have any chance of reaching Net Zero emissions, evidence shows that it is doable. Analysis by HECA found that the total cost of implementing measures to raise the SAP rating of approximately 390,000 eligible dwellings in Northern Ireland to at least SAP band C was £2.4 billion, with a mean cost of £6,200 per dwelling. NEA believe this is a realistic and deliverable target which should be adopted whole heartedly by the NI Executive and supported throughout all relevant legislation and strategies.

The transition to Net Zero will require a significant change in our energy system, including how we heat our homes. It is important to recognise that several of the emerging renewable heat technologies, such as heat pumps, are only feasible in energy efficient homes. For example, the current costs (both installation and running) of heat pumps can be considered prohibitive to most households in Northern Ireland. In a typically sized home that is efficient, installation of a heat pump could be £1,000 cheaper than for a home that is not and running costs would be significantly lower⁴.

NEA are therefore calling on all levels of government to adopt the principles of ‘helping the worst first’ and the ‘fabric first’ approach within the new policies and strategies that will drive the Net Zero agenda in Northern Ireland. This will be the best way to start the journey towards a just transition. These policies must ensure they work to eradicate ‘postcode lotteries’ by ensuring support is equally accessible to all households in Northern Ireland, regardless of location.

Given the scale of change that will be required if Northern Ireland is to achieve Net Zero, the Climate Bill must ensure households have access to high quality information and practical support to allow them to successfully transition to decarbonisation. This will include support to develop the knowledge

² Marmot Review Team (2011) *The Health Impacts of Cold Homes and Fuel Poverty*

³ Department for Economy (2020) *Research into the Future of Energy Efficiency Policy in Northern Ireland*.

⁴ Energy Efficiency Infrastructure Group (2020) ‘Energy efficiency’s offer for a net zero compatible stimulus and recovery’



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and skills required to make use of the emerging low carbon technologies that will need to be embedded within future housing developments. Independent and meaningful information will be key to enabling people to act. Helping households throughout the energy transition to Net Zero through direct action, advice and 'hand holding' will all be required. Prioritising this assistance on fuel poor households should be held as a central pillar within all climate and energy policy to ensure a fair transition to Net Zero. Whilst we recognise that Fuel Poverty sits within the remit of the Department for Communities (DfC), we believe that the Climate Bill has the potential to make a significant impact on fuel poverty in Northern Ireland. The degree of this impact cannot and should not be underestimated.

NEA believe the Climate Bill needs to be backed up by appropriately set legislative targets, against which progress can be measured. With regards to tackling Fuel Poverty NEA are calling for targets to be set on the minimum energy efficiency standards of fuel poor homes. These targets must be at least equal to, if not more ambitious than, the targets established in England. The energy efficiency-based Fuel Poverty (England) Regulations 2014 require the UK government to ensure all fuel poor homes in England achieve a minimum energy efficiency rating of Band C by 31 December 2030. Setting targets will help ensure the outcomes of the Climate Bill are deliverable, and that the relevant government departments and agencies are held accountable.

Whilst NEA would welcome investment within the energy sector, we know that the public will have to make a big contribution to these costs, either through higher bills or through general taxation. We believe it important to flag that any additional cost to household energy runs the risk of pushing vulnerable households into fuel poverty and worsening the conditions for those already impacted. NEA are seeking reassurances that in setting Net Zero targets for Northern Ireland, the NI Executive will fully investigate the impact of the transition on affordability for low income and vulnerable households in Northern Ireland.

In summary, NEA believe that the Climate Change Bill, in tandem with the new energy strategy, offers an opportunity to tackle fuel poverty in Northern Ireland head on, by driving up domestic energy efficiency, creating a flexible energy system and putting people at the heart of climate and energy policy decisions. We hope this Bill will be the catalyst for change, inspiring decades of delivery which help shape a more equitable energy system in Northern Ireland.

We believe the following recommendations should be adopted to ensure the Bill delivers for the most vulnerable households in Northern Ireland.

- Energy Efficiency should be considered a priority to enable everyone to reduce their use of carbon fuels. The NI Executive must resource a comprehensive and accessible energy efficiency programme, based on a Whole House Solution and the 'Worst First principle'. All fuel poor households must receive support to upgrade their homes at no extra cost. To supplement the effectiveness of improving energy efficiency the strategy must also seek to embed a 'fabric first' approach.



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- A cross departmental collaborative approach should be adopted to ensure that tackling Fuel Poverty is an integral part of the Net Zero agenda, and that our climate and energy policy delivers an affordable, secure, and sustainable energy system for all households in Northern Ireland. To ensure this approach is adopted NEA are calling on the NI Executive to produce a new Fuel Poverty strategy for Northern Ireland by the end of 2021.
- There is a need to ensure all households have access to high quality information and practical support to allow them to successfully transition to decarbonisation. Independent and meaningful information will be key to enabling people to act. Helping householders throughout the energy transition through direct action, advice and 'hand holding' will all be required.

We thank you for the opportunity to respond to you with these comments.

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