



Action for Warm Homes

Northern Ireland

National Energy Action NI

Private Tenancies Bill

Briefing Paper

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 consumers 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.

As our area of expertise lies within fuel poverty the primary focus of our brief relates to clause 9 of the Bill, Energy Efficiency Regulations. We do however also provide some brief comments pertaining to clause 10 Electrical Safety Standards Regulations. NEA are also supportive of the comments raised by Housing Rights.

We thank the committee for the opportunity to present you with these comments.

Excess Winter Deaths

Cold, damp and unsafe homes cause shocking levels of unnecessary hardship, ill health and premature mortality. In November 2020, the Northern Ireland Statistics and Research Agency (NISRA) published the Excess Winter Mortality report¹. This report provides information on the mortality levels during the four winter months of December to March. The report details that there were 5,802 deaths in Northern Ireland in the 2019/20 winter period which is the third highest number of winter deaths in the last 10 years. NISRA estimate that the raw figure for Excess Winter Deaths (EWD) for 2019/20 was approximately 600². 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

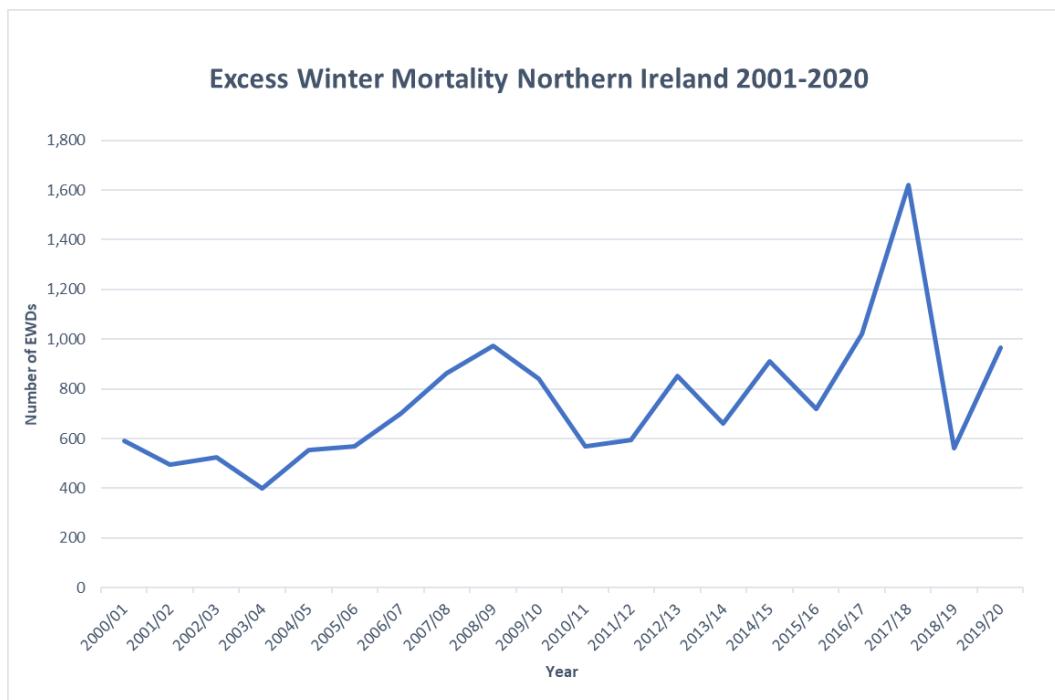
¹ Northern Ireland Statistics and Research Agency (NISRA), Excess Winter Mortality NI Report 2019-20,. Accessed online: <https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/Excess%20Winter%20Mortality%20NI%20Report%20201920.pdf>

² 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>

estimated figure increases to 967, 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.

Figure 1: Changes in Excess Winter Deaths over time



The most frequent cause of death was found to be respiratory disease, followed by circulatory health conditions. Both conditions are badly exacerbated by living in cold homes which are hard to heat. Critically we know that the World Health Organisation estimates that around 30% of these types of deaths could have been prevented³.

Excess winter deaths are avoidable; however, they seem to have been accepted as part of winter. Rising energy prices, welfare cuts and stagnant wages are causing people to struggle more and more during the winter months. Additional support is needed to ensure that the most vulnerable are supported.

Cold Homes and Mortality

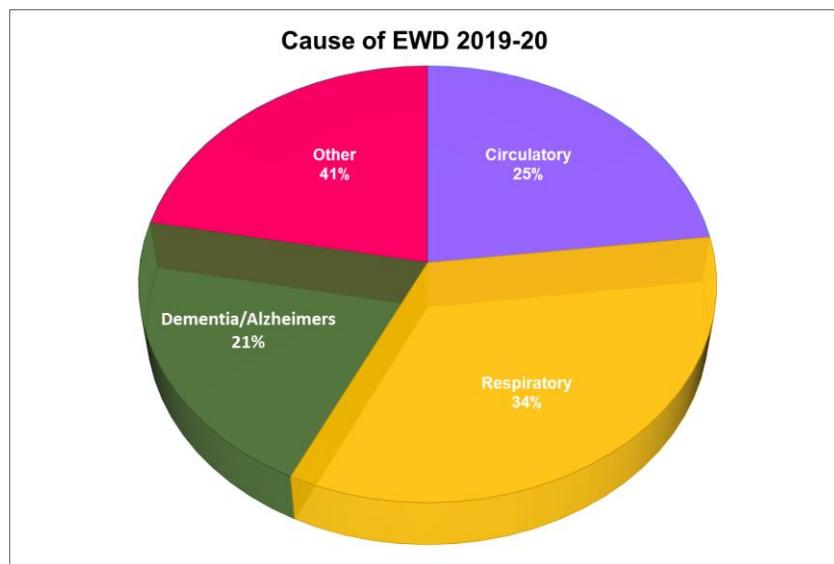
Studies show there is a relationship between EWDs, low thermal efficiency of housing and low indoor temperatures⁴. EWDs are almost three times higher in the coldest quarter of housing than in the warmest quarter. We know that deaths from cardiovascular diseases are directly linked to exposure

³ Excess winter mortality statistics record the ‘additional’ deaths that occur in December to March compared to the preceding August to November and Following April to July. Of these the World Health Organisation estimates that 30% are due to cold housing, a problem that is preventable. (WHO 2011)

⁴ Marmot Review Team (2011), The Health Impacts of Cold Homes and Fuel Poverty

to excessively low indoor temperatures for long periods of time. This is because temperatures below 12 degrees Celsius result in raised blood pressure⁵. There is also increasing evidence to show that children living in cold homes are more than twice as likely to suffer from a variety of respiratory problems than children living in warm homes. Exposure to cold can increases the level of minor illnesses such as colds and flu and exacerbates existing conditions such as arthritis and rheumatism⁶. Put simply, Warm homes are vital for ensuring good health and wellbeing.

Figure 2: Causes of EWD in 2019-20



Fuel Poverty in Northern Ireland

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, 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.

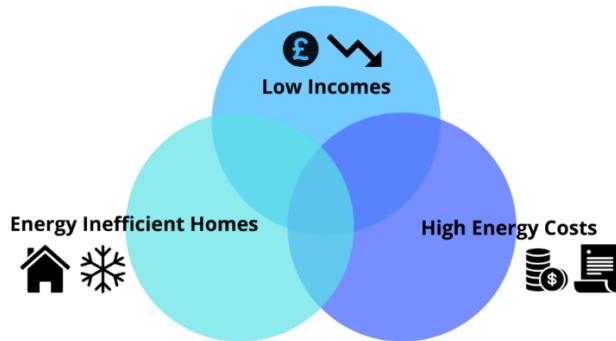
The primary factors which cause fuel poverty are widely agreed to be low household incomes, high energy costs and energy inefficient homes⁷. As a result, fuel poverty is most common among vulnerable households which includes those with older people, babies and young children, adults with disabilities or long-term health conditions and individuals who are socially isolated. Fuel poverty can severely affect a person's physical and mental health, and in the most severe cases can contribute to death.

⁵ Department of Trade and Industry (2001), The UK Fuel Poverty Strategy. London: DTI.

⁶ El-Ansari W and El-Silimy S (2008) Are fuel poverty reduction schemes associated with decreased excess winter mortality in elders? A case study from London, UK. Chronic Illness, 4(4), pp.289–294.

⁷ Manifesto for Warmth (2021), Northern Ireland Fuel Poverty Coalition.

Figure 3: The three factors that cause fuel poverty



We know that 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. These pressures are further amplified by the ongoing energy crisis, which has seen fuel prices soar to record levels.

As outlined above homes play a crucial role in ensuring the health and well-being of individuals and households, and NEA believe that everyone in Northern Ireland should be entitled to a warm, safe, and healthy home. The quality of housing (including energy efficiency) is directly linked to levels of fuel poverty in Northern Ireland. For many households domestic costs such as energy bills, mortgage/rent payments and rates bills, make up a significant portion of the annual household expenditure.

Fuel Poverty in the Private Rented Sector

Over the last decade the private rented Private Rented Sector (PRS) has continued to play a key role in meeting housing need in Northern Ireland. According to the 2016 House Condition Survey (HCS) the number of households living in the PRS has grown to 136,000 (17%) by 2016, making it larger in size than the Social Housing sector (16%). Along with this there appears to be an increase in the proportion of households with children living in private rented housing since 2011, and a corresponding decrease in the proportion of households with children living in the owner-occupied sector⁸.

According to the 2016 HCS, more than 1 in 4 (26.3%) of PRS households were found to be living in fuel poverty. This is not surprising when we consider that there is a much higher proportion of non-decent homes (10.7% of properties, equating to 14,300 properties) in the PRS, compared to 3.1% of social sector properties. NEA feel that is important to stress that these figures are drawn from the 2016 HCS, which was carried out at a time when fuel costs were significantly lower than 2021 levels. We believe that the impacts of the Covid-19 pandemic, the withdrawal of uplifts to Universal Credit and the huge increase in prices of natural gas, home heating oil and other solid fuels means that the percentage of households living in fuel poverty in Northern Ireland in 2021 is likely to be significantly higher.

⁸ Northern Ireland Housing Executive, House Condition Survey Report (2016), accessed online: <https://www.nihe.gov.uk/Documents/Research/HCS-2016-Main-Reports/HCS-Main-Report-2016.aspx>

Households in the PRS often have little or no agency about their payment type, their heating type and which (if any) energy efficiency measures they have installed in their rental property; yet they often pay the energy bill. This means tenants, are likely to see higher energy costs and are therefore further exposed to the risks associated with living in fuel poverty.

NEA know that the health and inequality issues, outlined above, are without a doubt exacerbated in the PRS due to the size and scale of fuel poverty. Despite this, there continues to be a disappointing response from Government and a low penetration of interventions. This is not only due to historically low engagement with landlords, but also due to the policy development, including changes to the Department for Communities (DfC's) Affordable Warmth programme and the Utility Regulator's Northern Ireland Sustainable Energy Programme (NISEP), both of which provide a split incentive whereby landlords are required to match fund the measures, without any legislative requirements in place to drive landlords to pursue them.

NEA therefore strongly welcome the introduction of the Private Tenancies Bill as the first in a series of legislative reforms to improve standards, energy efficiency and affordability in the PRS. Which we believe will be essential in tackling fuel poverty in Northern Ireland.

Clause 9: Energy Efficiency Regulations

NEA welcomes Clause 9 and the new requirements under Schedule 2 for a minimum level of energy efficiency in private tenancies by adding Art 11G and 11H to the 2006 order. However, we believe the Bill could be further amended to bring forward targets for minimum energy efficiency standards within the PRS and we would welcome the opportunity to be involved in further work to refine the regulations.

NEA believe that there is a pressing need to improve the housing quality within the PRS. Under the current Fitness Standard, the stipulation for 'adequate provision for heating' can, in practice, be satisfied by the presence of an electrical socket into which the tenant can plug an electric heater. NEA have experienced the impact of these inadequacies first-hand when supporting fuel poor households within the PRS. Households which must rely on electrical heaters will face steeper energy costs, experience difficulties regulating the thermal comfort of their home and will therefore be exposed to significantly increased levels of fuel poverty. This can in no way be considered adequate for the provision of heat and needs addressed as a priority.

NEA believe Northern Ireland needs minimum energy efficiency targets to ensure progress in this area can be monitored. 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.

The introduction of such a policy will help to tackle fuel poverty by dealing with the most inefficient properties of low income households. This would complement the existing fuel poverty programmes such as DfC's Affordable Warmth Scheme and the NISEP. Improved insulation and heating standards

are seen as the most rational and sustainable means of mitigating heating price increases and ensuring affordable warmth – which has never been more important than right now.

NEA believe that energy efficiency should be considered the ‘first fuel’. We know that energy efficiency improvements offer a tried and tested cost-effective approach to reducing household energy consumption, whilst also alleviating the hardships on fuel poor households and contributing to ensuring warm, safe and healthy homes. Furthermore, improvements in domestic energy efficiency will be essential if Northern Ireland is to effectively decarbonise the domestic sector in efforts to reach ‘Net Zero’ emissions. It is also important to recognise that several of the emerging renewable heat technologies, such as heat pumps, are only feasible in energy efficient homes, and therefore without action will not be viable within a significant number of PRS properties.

It is estimated that poor insulation means around £1 in every £4 currently spent heating UK homes is wasted⁹. The Home Energy Conservation Authority (HECA), annual report shows a current annual investment of £21million on energy efficiency in Northern Ireland. To align with the UK governments 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 decade¹⁰. 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 the Home Energy Conservation Authority 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 through all relevant strategies and legislation.

Prioritizing improvements in home energy efficiency also has the potential to unlock a number of wider social and economic benefits including;

- Reducing the burden on the health system and increasing the quality of service in the NHS. This will be achieved by reducing the number of households in fuel poverty, and therefore lowering their risks of associated ill health and preventing the need for medical intervention.
- Strengthening the economic recovery through supporting the creation of long term jobs. According to the Department for Business, Energy & Industrial Strategy (BEIS), the Green Homes Grant (GHG) in England will support 100,000 jobs in green construction¹¹. Additional funding for fuel poor households to upgrade their homes could help support these jobs well

⁹ Marmot Review Team (2011) *The Health Impacts of Cold Homes and Fuel Poverty*

¹⁰ Department for Economy (2020) *Research into the Future of Energy Efficiency Policy in Northern Ireland*.

¹¹ Homeowners to see savings available under new Green Homes Grant scheme, Press Release Published by Department for Business, Energy & Industrial Strategy, accessed online:

<https://www.gov.uk/government/news/homeowners-to-see-savings-available-under-new-green-homes-grantscheme#:~:text=Announced%20in%20August%2C%20the%20Green,100%2C000%20jobs%20in%20green%20construction.>

into the 2020s. The skills required for these jobs will equip the workforce for further progression towards net zero, as more homes look to increase their energy efficiency.

- Improving economic circumstances across NI by reducing household running cost and freeing up disposable income. Public money spent on energy efficiency in this way means more money saved for householders. This saving means more spending power, which often means greater spending in local areas, therefore helping to ‘level up’ local economies. As fuel poor homes are often found in areas that have suffered detriment, this has the effect of increasing economic activity in those areas that need it most.
- Strengthening research, innovation (in the form of technological, financial and regulatory innovation) and manufacturing bases. All of which will be needed for a successful national rollout of energy efficiency upgrades.

NEA welcomes the inclusion of energy performance certificates as a metric for gauging levels of energy efficiency. The priority in improving the energy efficiency of privately rented homes is to reduce costs for households in order to alleviate fuel poverty. NEA believe that EPC ratings continue to be the best option for target setting, and measurement of energy efficiency progress in the PRS.

Some organisations believe that EPCs are flawed and that the Government should not continue to use them to set targets and measure progress. While NEA understands these concerns, we maintain our belief that the establishment of EPCs has been broadly welcome, and their simplicity and integration into multiple parts of legislation make them an excellent candidate for fuel poverty targets and measurements. EPCs help tenants, landlords or homeowners find out how they can save energy and money by installing improvement measures. EPCs are already in widespread use and are easy to understand for nonenergy specialists.

NEA also note that it is also vital that the capital costs of the energy efficiency improvements are not passed through to the tenant and indeed other aspects of this Bill should consider how the Department can use regulation to enforce this. A fitness declaration at the point of registration is the best way to remove substandard dwellings; however, until the current fitness test is improved there will still be an unacceptably high level of energy inefficient homes being let.

Some types of landlords will be able to achieve improved EPC ratings relatively quickly. For example, landlords of houses of multiple occupancy (HMOs) which provide professional or student lets. For professional lets, energy bills are often included within the letting contract and so the ‘split incentive’ barrier to upgrading energy efficiency that much of the policy intends to address is eliminated. For student lets, occupants tend to have a higher level of education and either have the knowledge or ability to gain it, making it much easier to upgrade properties. Student lets often have longer and more consistent empty periods within which a property can be more easily upgraded.

An independent report¹² commissioned by the Committee on Fuel Poverty, said that landlord registration and licensing is “the most practical means of identifying landlords who currently lack an EPC on a proactive basis, rather than waiting for tenants to raise complaints”. Whilst setting up such a scheme would require time and resource, local authority officers also felt strongly that this was something they would support being undertaken on a national basis, as this would allow people to

¹² ENFORCING THE ENHANCEMENT OF ENERGY EFFICIENCY REGULATIONS IN THE ENGLISH PRIVATE RENTED SECTOR (2019)
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/825485/enforcing-enhancementenergy-efficiency-regulations-English-private-rented-sector.pdf

spot national issues or landlords operating across multiple authority areas, rather than at the local level.

NEA recommends that a legislative framework and complementary policy is required to incentivise landlords to comply with the new standards (while ensuring that residents are adequately protected), penalise those who fail to comply, and help local authorities to enforce against non-compliance.

NEA recognise that there is a need to ensure that sufficient funding is provided for energy efficiency schemes that help those who need the most support. Within this we believe there is a need for a particular focus on supporting tenants in the PRS. Landlords should be supported in meeting energy efficiency targets through having access to grant schemes. These schemes should be adequately funded and cover a significant portion of any energy efficiency improvements required. Currently, landlords must contribute to 50% of the costs for any measure implemented through the NISEP and Affordable Warmth programmes. These costs act as a barrier for many landlords meaning take up is negligible. Consequently, it is the tenants who suffer the impacts of living in colder damp homes. Without the necessary legislation this will continue to be the case which will further exacerbate and reinforce inequalities

It is our hope that many of these issues will be addressed by the forthcoming Energy Strategy, however we believe it is important that a joint up approach is embedded within relevant legislation if we are to achieve eradication of fuel poverty in Northern Ireland.

Clause 10 Electrical Safety Standards Regulations

NEA welcomes Clause 10 which provides through Schedule 3, for electrical safety standard duties to be imposed on landlords, through the addition of Art 11I, Art 11J and Art 11K to the 2006 order. It is our view that it may also be helpful if tenants, and representatives of tenants are given the opportunity to be involved in the consultation process.

NEA believe the Housing Fitness Standard needs a root and branch overhaul. We recommend that the GB Housing Health and Safety Rating System (HHSRS) is adopted in the first instance. Other jurisdictions have gone further such as Scotland, with mandatory checks on electrical appliances undertaken by landlords every five years. We believe that this standard should also be adopted in Northern Ireland. During 2019, 58% of all accidental fires in homes were caused by an electrical source¹³, by such products including dishwashers, cookers, and fridge freezers. These appliances are in the main provided by landlords in the PRS.

Campaigners for electrical safety tell us that just like gas safety regulations, electrical installations and appliances should be safety checked by a competent person every five years. We believe this seems prudent and should not put prohibitive costs onto landlords.

NEA would also call for an annual safety inspection of oil-fired boilers, similar to that which is carried out by Gas Safe for gas fired appliances in the rented sector.

¹³ <https://www.electricalsafetyfirst.org.uk/what-we-do/our-policies/northern-ireland/research-northern-ireland/>

Damp and Mould

NEA believe consideration should also be given to the impacts of damp and mould within the PRS. Damp and mould growth affects many houses in Northern Ireland, and it is difficult to obtain recent data on the estimated number of homes that are affected given that condensation alone does not constitute unfitness. The problem around condensation is further complicated due to the causes. Many factors contribute to condensation including inefficient heating and insulation or issues around the fabric of the dwelling, for example, ample ventilation or excess moisture. As a result, many cases of condensation could be deemed to be behavioural without further recourse for the tenant. Coupled with this NEA has dealt with many householders who admit to switching off their heating due to affordability issues or indeed self-disconnecting. This can exacerbate the situation and leave the householder in a cycle of low income, living in a cold damp home as a result.

Under the current fitness legislation, the Environmental Health Departments are unable to serve any notice upon the landlord if the damp is determined as condensation. In the worst cases, the walls can be badly affected by mould growth causing the householders to continuously breathe harmful spores. NEA carried out two local based initiatives within two areas of Belfast in 2014 and 2015. Both areas had high incidences of damp and mould growth and a number of houses required treatment and retrofit measures.

We are therefore disappointed that the progress of the Northern Ireland fitness standard has been delayed as fitness is one of the most significant issues within the private rented sector.

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

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