



## Introduction

We welcome the publication of a draft Fuel Poverty Strategy for Northern Ireland. Fuel poverty is too often a strain on the lives of people we assist at SVP. Whether it is the poor housing standards and heating systems that are prevalent in the private rented sector, the upfront costs needed to pay for a fill of oil, or the stress and strain of electricity arrears, our members are sadly familiar with the impact of fuel poverty. Case studies of people supported by SVP Northern Region

Case studies from 'Beyond Breaking Point: Sharing the Perspective of SVP Members on the Cost of Living Crisis': <sup>1</sup>

*"Mark" is a single parent caring for his 7-year-old daughter who has additional needs. He works part time around school hours but with the rising cost of living, he is struggling to make ends meet on a weekly basis. He said "there are weeks I have had to pick electricity over gas and when I do get gas, I only use it to heat the water as I can't afford to put heating. This past week has been really hard as I had the extra costs of getting my daughter ready for school. I feel like I am treading water all the time."*

*"Linda" is a lone parent with three children and is working part time in retail. She recently took out a loan to cover the cost of a new washing machine. She contacted SVP as she is "currently in a situation where I cannot even afford to pay for heating oil at the minute due to being in debt." Linda and her family have been without heating and hot water for two months of winter. She says "All of my kids have had bad chest infections and with having no heating or hot water. It's hard for me as a mum to see my children suffering."*

*"Sarah" has two children aged 3 and 10 and is out of work due to a long-term disability. She is currently waiting on her Universal Credit to come through and also is awaiting a decision on a PIP application. Her landlord has just increased the rent and she says, "there is absolutely no way I can afford this as I am already drowning in debt". She receives very little support from the children's father and says she "is beyond breaking point. I only have £2 left on the gas meter"*

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<sup>1</sup> Case studies are taken from 'Beyond Breaking Point' [Beyond-Breaking-Point.pdf](#)

The stories above show the hardship caused by fuel poverty, and how it is linked with families facing life on an inadequate income, dealing with issues of debt and the cost of living and health issues. In analysis for our report 'Beyond Breaking Point' we presented a breakdown of the main presenting reasons people sought the assistance of SVP Northern Region in 2022. This showed that requests for assistance were dominated by food and energy (making up two thirds of requests), with the most common category being requests for 'Multiple Issues' which are most often a combination of food and energy. The category Energy includes requests for help with electricity, gas, oil and solid fuel.

Our members seek to provide immediate assistance and relief to help people back on to an even keel, whether customers need help to buy a fill of oil, repay energy arrears, or top up their prepay meter. However, the longer-term responses to energy poverty – household income adequacy, and investment in energy efficiency – need to be driven by government through the social security system and retrofitting and upgrade grants.

There are aspects of the energy market and housing stock that are particularly prominent in Northern Ireland and need to be prioritised within the fuel poverty strategy: the number of households reliant on heating oil with high upfront costs; the prevalence of prepayment meters and risk of self-disconnection; and households in very poor accommodation, including in the private rented sector. Across these groups are households at the highest risk of poverty, who we support very often at SVP: one parent families, one adult households, people with ill health and disabilities and those not in work or in poorly paid work.

Below we respond to select questions from the consultation, and hope that our response help provide some insight into fuel poverty and the actions needed in the lifetime of the new Fuel Poverty Strategy.

## Consultation Questions

### Question 1. Do you agree with the proposed vision and guiding principles? If not, please suggest alternatives and why.

We agree with the proposed principles and vision. This references the personal lived experience of being cold at home and the long term consequences on people's health (which has both personal and societal consequences). Making sure to include everyone is also an important challenge, as many people who live in fuel poverty may not be immediately obvious.

### Question 2. Do you agree with the timeframe and review period? If not, why not?

We agree that a ten year timeframe allows the space for ambitious thinking, with the recognition that action must begin now.

A ten year timeframe may be particularly appropriate for the subject matter as within that time there will be significant developments across the decarbonisation and digitalisation of the energy system which will lead to changes and challenges for people in fuel poverty.

However, a concern of adopting ten-year timeframe is that there are currently no statutory targets underpinning the strategy. Working across political cycles without statutory commitments may leave the plan 'stranded' and we encourage the introduction of strong targets for different indicators.

We suggest that if a ten year timeframe is pursued actions should be categorised as 'this year' 'in the first three years' 'before the mid-point review' etc, to avoid drift. This would enable accountability year-to-year and within review periods.

### **Make homes more energy efficient:**

#### **Question 4. For MEES in PRS to effectively alleviate fuel poverty, what information or data do you think would be useful and what barriers would we need to overcome?**

We support gradual introduction of Minimum Energy Efficiency Standards (MEES) in the Private Rented Sector (PRS). Standards in the PRS are frequently raised by SVP members, who also comment on the power dynamics between tenants and landlords when – as recognised in the consultation paper – tenants will not raise ‘complaints’ for fear of eviction.

The reality is these power dynamics are entrenched in the current system, particularly for tenants on a low income and therefore with less agency to move, and so the only way to intervene effectively in standards is through regulation.

Data required:

- A thorough understanding of the state of housing in the private rented sector.
- An understanding of the elevated energy costs currently being paid for by tenants, to subsidise the poor state of heating systems/housing in the PRS.

This would clarify the incentive to invest in upgrading the sector.

Barriers to be overcome:

This would be a significant policy change and there are many challenges requiring a thorough strategy in place with plenty of advance warning. In particular we would be concerned about the risks of landlord exit, evictions and rent hikes causing an exacerbation of the housing and homelessness crisis. To avoid this we suggest a focus on:

- Landlord awareness of upcoming changes and how they need to respond – this should be done with the understanding that many landlords will have no specialist knowledge of retrofitting.
- Landlord-specific options for financing, which should be particularly targeted at supporting landlords who have tenants on low incomes and receiving housing supports.
- Measures to eliminate the risk of ‘renovictions’ when upgrades have taken place, either through unrealistic rent increases or eviction to have the house vacant for building works.

A full set of recommendation to prepare for MEES in the Republic of Ireland (which have not yet come into place, but were announced in the Housing for All Strategy in 2021) was developed by SVP and the private rented sector housing charity Threshold. These recommendations focus on the practical steps needed to prepare both landlords and tenants for regulatory change, and may be of interest in the Northern Ireland context: 'Warm Housing for All' by SVP and Threshold (2021).<sup>2</sup>

**Question 5. Should MEES also be applied to other tenures? Please give reasons for your answer.**

We see merit in the same MEES applying in the social rented sector as the private rented sector.

**Question 6. Do you agree that introducing updated fitness standards will contribute to making homes more energy efficient? Please provide reasons for your answer.**

We agree.

**Question 7. Do you agree that all government domestic energy schemes should take account of the Fuel Poverty Strategy principles?**

We agree.

**Question 8. Do you agree that DfC should take a more flexible approach that considers current data when setting and reviewing income thresholds and eligibility criteria? Please give reasons for your answer.**

We welcome the replacement of the Affordable Warmth Scheme, when it comes to an end, with a new energy efficiency programme with updated thresholds and eligibility.

We support the use of equivalised disposable income to accurately reflect the spending poverty of the household.

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<sup>2</sup> [warmhousingforall.pdf](#)

We agree that the income thresholds and eligibility criteria should be more flexible to enable DfC to respond to current and changing contexts.

**Question 9. Do you agree that an income threshold should increase in line with minimum wage levels/inflation or another index such as RPI to mitigate increases in the cost of living? Please give reasons for your answer.**

Thresholds should be increased at the very least to maintain eligibility to all eligible groups (ie. Indexing against the higher of social welfare or wage increases). As budgets allow we would also recommend increasing thresholds beyond this to gradually draw in a wider population of low income households who would benefit from the scheme.

**Question 10. Should the Energy Performance Certificate (EPC) rating of a house be considered as part of eligibility criteria (i.e. the least energy efficient homes are considered first)? Please give reasons for your answer.**

We support the EPC being included as part of eligibility criteria, but it shouldn't be used as the sole deciding factor for prioritisation, as for example, the health requirements of the household may also need to be considered. Whilst there is merit in tackling the worst homes first, there are other criteria that need to be considered: for example the financial circumstances or severity of health impacts on the residents.

**11. Do you agree that the new scheme should continue with the Whole House retrofit approach? Please give reasons for your answer.**

We acknowledge the merits of the Whole House approach, but encourage flexibility to ensure that people who would greatly benefit from support can do so, even if they are ineligible for (eg. Due to their house characteristics) or do not wish to pursue a

Whole House upgrade (eg. Due to renovation disruption which can be a barrier to people due to family circumstances, etc).

There is also the concern that if a Whole House approach is the only route available, waiting lists may become very long, and people who would benefit from single measure upgrades or a staggered approach may not receive any support until their full upgrade.

**Question 12. If the Whole House approach is used, do you agree that all recommended measures must be installed unless there are exceptional reasons not to? Please give reasons for your answer.**

Please see above.

**Question 13. Do you agree that the new scheme should prioritise low carbon heating solutions where possible?**

We agree. Where there is introduction of new heating technologies at home it is vital that thorough and ongoing information and support is provided to adapt to systems such as heat pump management, which can require very different knowledge and behaviours to use efficiently, in comparison to systems people are likely to be used to such as oil or gas.

Our experience in the Republic of Ireland is that this initial and ongoing support is absolutely essential when technology such as heat pumps are introduced/ a household moves into new social housing with a heat pump installed. The households we support work with very tight budgets which exacerbates the adverse impacts of any increased electricity bills from sub-optimal running of heat pumps (whether due to installation, maintenance, or use of system).



**Question 14. Do you agree that the new scheme should offer renewable technologies such as solar panels and battery storage to offset the running costs of low carbon heating solutions in low-income households? Please provide reasons for your answer.**

We agree this is a very important part of the scheme design. Given the volatility of electricity pricing currently, it is important that people who move onto a wholly electrically powered system are insulated in case they are not be able to afford running costs a price spike.

**Question 15. Do you agree that rural properties should be prioritised for energy efficiency support? Please give reasons for your answer.**

Properties should be prioritised on a range of criteria, including the EPC of the house, the health and personal circumstances of the household, income etc. Rurality could be a part of this prioritisation, however it shouldn't necessarily be the deciding factor. The factors that mean rural housing can be low energy efficiency: levels and insulation, fuel source, etc, should be considered alongside other factors. This should apply equally to all housing, though it may be that rural housing ranks higher on these factors and so is prioritised.

### **Collaborate and build capacity**

**Question 21. Do you agree that we should and build referral pathways between Government, local Government, health professionals and the Voluntary and Community Sector? If yes, how can we best achieve this?**

#### *Referral pathways*

This is an important avenue to explore considering the importance of trusted services, the role of health workers, and the importance of signposting at life events (such as bereavement).

As an organisation that works with people in very difficult, often crisis, situations, it is also important that we are aware of the network of supports that we can signpost people on to so they can receive expert and specialist assistance.

It will be essential that signposting pathways onto voluntary organisations are recognised as being subject to the capacity of their volunteers.

### *Forum*

It may be beneficial to have regular meetings of the organisations involved in supporting people to meet their immediate energy needs. This could facilitate:

- sharing observations of key challenges
- raising any new issues that are arising
- discussing ways to improve support
- increasing knowledge of service network
- creating a forum for joint discussions with, for example, suppliers or the Utility Regulator.

### **Question 24. Do you agree that we should work with organisations that provide emergency support, to seek a consistent approach across Northern Ireland and the inclusion of a referral to a long-term solution? If so, what would be the best way to achieve this?**

There would certainly be a great benefit to being able to signpost people towards energy advice, including energy efficiency supports.

This should be sensitive to certain factors, such as:

- Depending on tenure/housing circumstance, the person seeking energy support may have limited control over their energy arrangements such as tariff or supplier choice, housing or heating improvements, etc. However, advice that can work with and around these limitations would be of great value.
- Sometimes when people are seeking crisis/emergency support with energy payments they do not have the bandwidth for longer term advice – they may also be managing, for example, rent arrears and fears of eviction, life events that have led to a financial crisis, etc. There is an important element of discretion and judgement about what long term conversations are best broached and when.
- Subject to the particular service or ethos of the voluntary organisation provides, an organisation may not feel it appropriate to attach conditionality (ie. Referral to long term advice) to the offer of crisis/emergency assistance.

In terms of the practicalities of signposting and referrals, we offer the below feedback:

- The organisations mentioned in the consultation document are diverse, ranging from statutory to voluntary. This needs to be considered when seeking consistency throughout Northern Ireland. This is to avoid unmet expectations and to avoid misinforming people seeking support. It certainly seems essential to expect consistency from statutory organisations, for example from the council hardship funds referenced. However, expecting voluntary organisations to provide the same offer may not be realistic. Even organisations such as ourselves who work across Northern Ireland do not have the same voluntary capacity everywhere.
- Voluntary organisations like ourselves have no statutory obligation to provide services and we have limited financial and human resources – it is essential that and signposting organisations are aware of this.
- In Northern Ireland we do not receive government funding and therefore we could not envisage being part of multi-disciplinary referral networks for the reasons above.

**Question 25. Do you agree with the proposal to prioritise Discretionary Support to provide emergency financial support if there is a future energy or cost of living crisis, until we have better data to target large scale payments? If not, can you provide a reason?**

There are benefits to both.

A challenge with funnelling emergency financial support through the Discretionary Support system is it presents a clear barrier in that people need to apply for it. This presents knowledge, administrative, and eligibility barriers.

This could be circumvented in a future price spike with a separate payment with low barriers to entry that sits within the architecture of the existing Discretionary Support scheme.

It would be good to present a plan for how better targeting data is going to be developed if this is the reason for favouring the use of DS scheme over large-scale payments. Good data already exists in the wider benefits system of who may be vulnerable to price spikes through means testing records, developing the use of this

data and the ability to cross reference with, for example, utility suppliers, would be an important avenue to explore.

**Question 26. Do you agree with the proposal to gain a better understanding of the impact of changes to Winter Fuel Payments and introduce additional support where appropriate? If not, why and do you have alternative suggestions?**

The process of restricting Winter Fuel Payments was of real concern to SVP and our members. With little notice, many pensioners will have had to completely re-budget for their winter's fuel – with oil so prevalent in Northern Ireland, for most that will have meant finding an upfront payment of hundreds of pounds.

In addition to the lack of notice, the income thresholds remained so low that many people will have lost eligibility and still been on a very low income and at risk of poverty.

Whilst we are unaware of statistics, hopefully services provided through organisations such as Age NI, as well as Make the Call, will have led to many more people signing up to pension credit. This push should continue until there is much higher levels of payment receipt. Avenues such as automatic payment based on existing means testing records held by the department could also be explored, to move to 100% uptake.

It will be important to continue to assess the impact of the loss of the payment on the relevant cohorts. Provision of additional support should be assessed according to the Fuel Poverty principles.

**Protect consumers**

**Question 27. Do you agree that we should improve our understanding of the impacts of energy decisions on different consumer groups? If so, what would be the best way of understanding these impacts?**

We agree this is a very important development as energy undergoes twin digitalisation and decarbonisation transitions. In terms of analysis, a proactive research project should assess upcoming changes and scope – through qualitative and quantitative analyses – the potential impacts on different groups. This should include the distributional impacts on different consumer groups of changing costs put on bills, as well as how different groups can adapt to use of different energy technologies at home (such as green heating technologies, introduction of smart meters etc).

**Question 29. How can we support vulnerable people to ensure they are on the most affordable tariff?**

In the Republic of Ireland, customers signed up to the Vulnerable customer register are required to be on the most economic tariff for their payment type: this could easily be replicated by the Utility Regulator.

There is, however, a wider group of households beyond those who may be on Vulnerability/Priority Service registers for continuity of service, and we would support measures that enable them to be on the most affordable tariff. This could include:

- Regulatory requirements for suppliers to move customers in arrears onto the cheapest tariff they have on offer.
- Regulatory requirements for suppliers to notify customers when they can leave their contract and that they may receive a cheaper offer by shopping around beyond their existing supplier.
- Investment in energy advice services that can provide one to one support for households including tariff advice.

**Question 30. Do you agree that we should explore potential affordability support for populations where energy efficiency measures may not be the right solution? If so, which population groups? Please provide reasons for your answer.**

Yes we agree this should be explored. As above we would support the introduction of regulations that automatically move registered Vulnerable customers onto the most economic tariff available from that supplier for their payment type. We would also encourage the exploration of discounted or 'social tariffs' for people in vulnerable situations.

Recently in the Republic of Ireland suppliers have explored providing solar panels to Priority Vulnerable customers as this is a relatively low-intervention way to upgrade housing and support cost reductions, we would support the replication of this in Northern Ireland.

**Question 31. Is further research required to identify gaps in non-price protection for different energy users in Northern Ireland? If yes, what should we focus on?**

Further research and action is required. Households with oil heating or prepay electricity/heating are two groups we consider to be particularly vulnerable to disconnection of energy supply. At SVP we frequently assist people in these groups who cannot afford a fill of oil or to top up the meter and believe there needs to be a particular strategy in place for each of these groups to reduce levels of disconnection, and in fact research we reference below suggest heating oil and prepayment meters are a key driver of requests for assistance with energy to ourselves.

Given the greater reliance on oil in Northern Ireland and a significant proportion of clients using pre-pay meters, self-rationing of adequate heat, hot water and electricity has become a common occurrence for households SVP is serving. The need to have

a significant lump-sum to afford a fill of oil is impossible for households on benefits or low paid work.

Research from the Consumer Council backs up our concern: in a survey from May 2022 showed that at that point, 20% of respondents had run out of oil in the last 12 months, with 56% of these stating it was because they were unable to pay to fill the tank. The highest risks were for fuel-poor households, younger people, people with a disability, lower income people, those in urban areas, and those in receipt of UC. Being in receipt of UC was the highest reported risk factor for both having run out of oil (49%), and of those 92% reported it was due to unaffordability.<sup>3</sup>

Prepayment forms a significant segment of the energy market in NI. For electricity, 39% of customers pay through a prepayment meter, for gas customers, 57% are prepay customers, according to a representative survey by the Utility Regulator.<sup>4</sup> Prepay customers are arguably more vulnerable to price increases as there is an immediate application of higher unit rates, meaning each top up doesn't go as far, and there is more limited ability to either defer repayments or negotiate affordable repayment terms.

In our research 'Beyond Breaking Point', SVP members stated<sup>5</sup>:

*"Oil is completely unaffordable. Many houses in NI are still oil dependent. It requires people to have a chunk of money which isn't possible on low benefits rates."*

*"People having real difficulties keeping their meters topped up. Energy prices are so high they are struggling between eating and heating."*

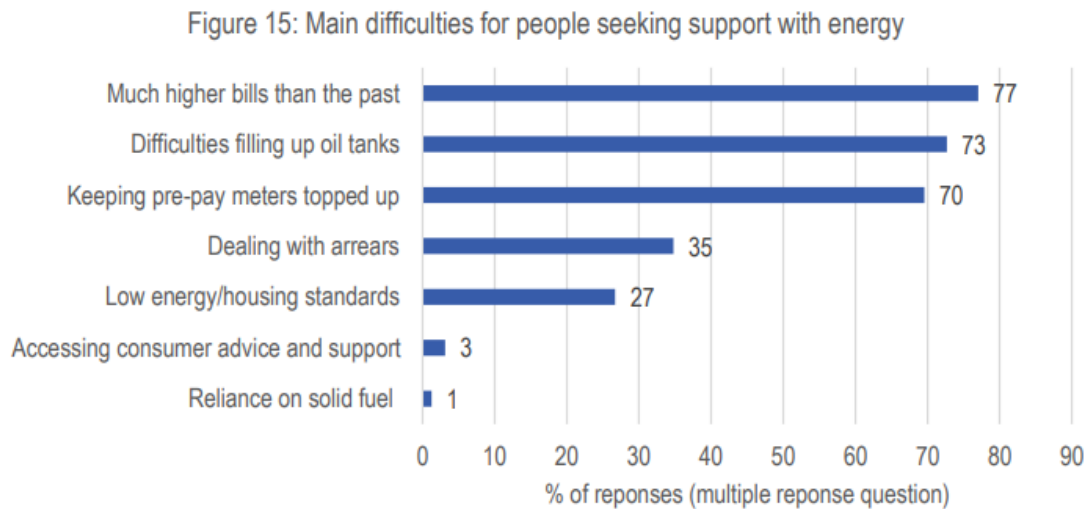
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<sup>3</sup> [https://www.consumercouncil.org.uk/sites/default/files/2022-10/Research\\_Report\\_Review\\_of\\_Fuel\\_Poverty\\_Levels\\_in\\_NI\\_1.pdf](https://www.consumercouncil.org.uk/sites/default/files/2022-10/Research_Report_Review_of_Fuel_Poverty_Levels_in_NI_1.pdf)

<sup>4</sup> <https://www.uregni.gov.uk/files/uregni/documents/2022-03/niaur-domestic-tracker-written-report-28feb22.pdf>

<sup>5</sup> [Beyond-Breaking-Point.pdf](#)

In the survey results the rising cost of energy was the most commonly cited factor, but five respondents identified an information and energy advice gap with a number mentioned a need for energy saving tips, benefits check, entitlements to grants and ensuring customers on the best tariff available for their needs.



For prepayment customers these protections can come via the Utility Regulator and Suppliers, for oil heating (or other off grid fuel) customers there will need to be a mix of solutions working with households themselves, suppliers of oil/off grid fuels, and intermediary organisations such as councils, charities, etc.

In terms of further research, we propose:

- A strand of research exploring the experience of prepayment in Northern Ireland regarding gas and electricity and the challenges this payment type is presenting. This should be both qualitative, exploring people's lived experience, and quantitative, to get a sense of the scale of challenges facing people.
- Research to understand the prevalence of prepayment in the NI market, what has driven this, and future options for prepayment (considering for example the introduction of smart metering, the changing nature of home energy which will become increasingly electric and therefore leave prepayment customers vulnerable to complete disconnection if they run out of credit).
- Research considering the steps available to support non-grid heating customers including oil, solid fuel, off-grid gas, and how these customers can be offered equivalent protection to customers who get their heating via the regulated energy market.



## **Governance and Accountability**

### **Question 34. Do you have suggestions about how government could change our use of language to improve buy-in and engagement on fuel poverty?**

We welcome the important discussion of language and how people can connect with support and understand policy developments.

However, we are not sure that ‘energy wellbeing’ is language that is particularly easy to understand or connect with for most people. It’s actually quite jargony – and then if we qualify that with a focus on those with ‘very low energy wellbeing’, that becomes very convoluted language.

There is also risk that when switching to positive phrasing like ‘energy wellbeing’ we lose focus on the deprivation inherent in the phrase energy poverty, and therefore the urgency. We may also lose focus on the group we are intending to support – while everyone will have some level of energy wellbeing and so it is a universalising phrase, we are focusing on those who are going without the basic energy they need.

Descriptive language like people ‘struggling with energy costs’ might be simpler, and the aim to focus on people ‘using the energy they need’. Versions of this descriptive, everyday language might be more appropriate in public-facing programmes that are inviting participation.

### **Question 35. Do you agree that government should take a basket of indicators approach to measuring and understanding fuel poverty?**

We agree with the proposed basket of indicators, however we strongly recommend the introduction of targets, and that there are interim milestones to be achieved at set stages within the 10 year period of the Strategy to ensure timely progress is being made.

**Question 40. Do you agree with the proposal for a Fuel Poverty Advisory Group, if not, can you suggest an alternative proposal?**

Yes we agree and encourage broad representation from across the statutory and third sectors.

We also highlight our recommendation in answer to question 21: to facilitate a forum for those organisations involved in emergency response to fuel poverty to ensure a coherent and joined up response for people who are, for example, without energy supply.