



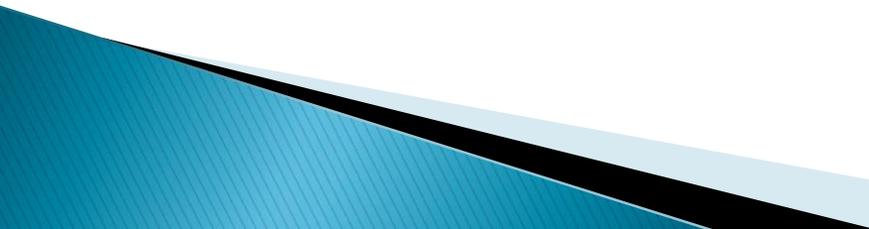
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# Fuel Poverty

## Research Symposium 2014

Oliver McHugh  
Department for Social Development

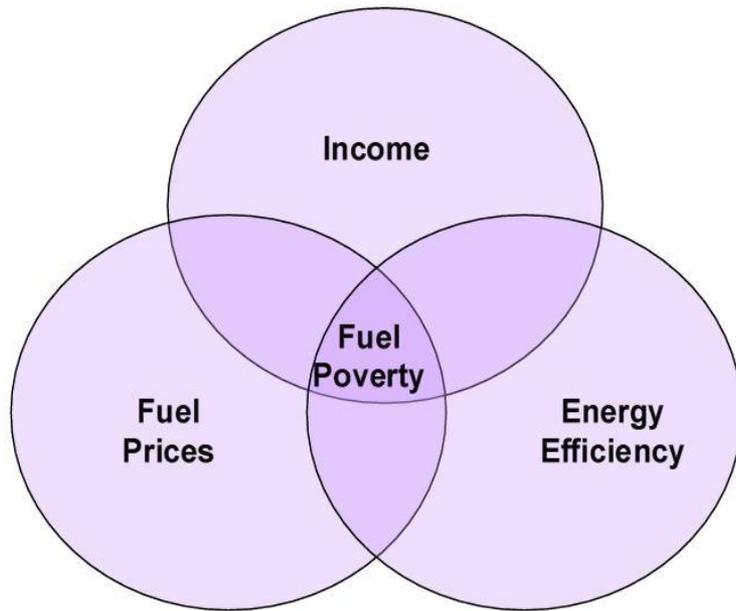
# Introduction

- Symposium, I blame Plato for this!
  - My fuel poverty policy career
  - (Mix of personal and official views)
  - Influence of fuel poverty research on DSDNI (research in practice)
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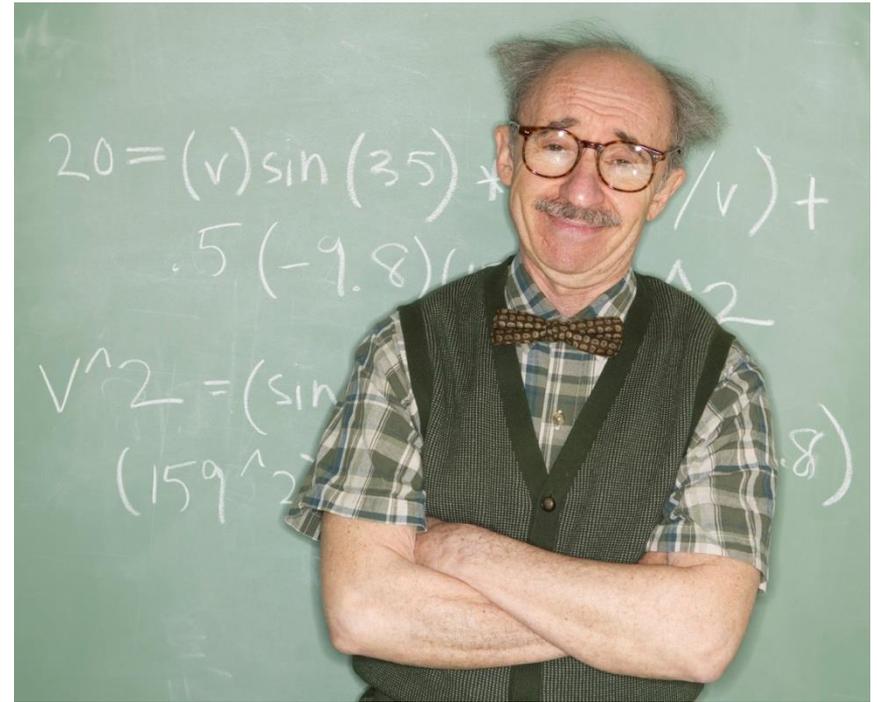
# My Fuel Poverty Career



# Defining Fuel Poverty



# Working with Academics



# DSD Fuel Poverty Strategy

- Fuel Poverty Strategy "Warmer Healthier Homes" 2011
  - Partnership working
  - Remove energy inefficiency as a cause of fuel poverty
  - Practical solutions
- 

# Background



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- Department introduced Warm Homes Scheme in 2001
- Main tool in tackling fuel poverty
- Warm Homes Scheme has assisted over 150,000 homes and spent over £120 million on improving energy efficiency
- Very successful and popular scheme
- Relies on self referral
- The Warm Homes Scheme contract ends in March 2015

# Why an Area Based Approach?



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- Fuel Poverty Strategy "Warmer Healthier Homes" in 2011 committed to test an area based approach to tackling fuel poverty
- Similar successful schemes in GB
- University of Ulster's "Defining Fuel Poverty" review of the definition of fuel poverty recommended an area based targeted approach

# Targeting



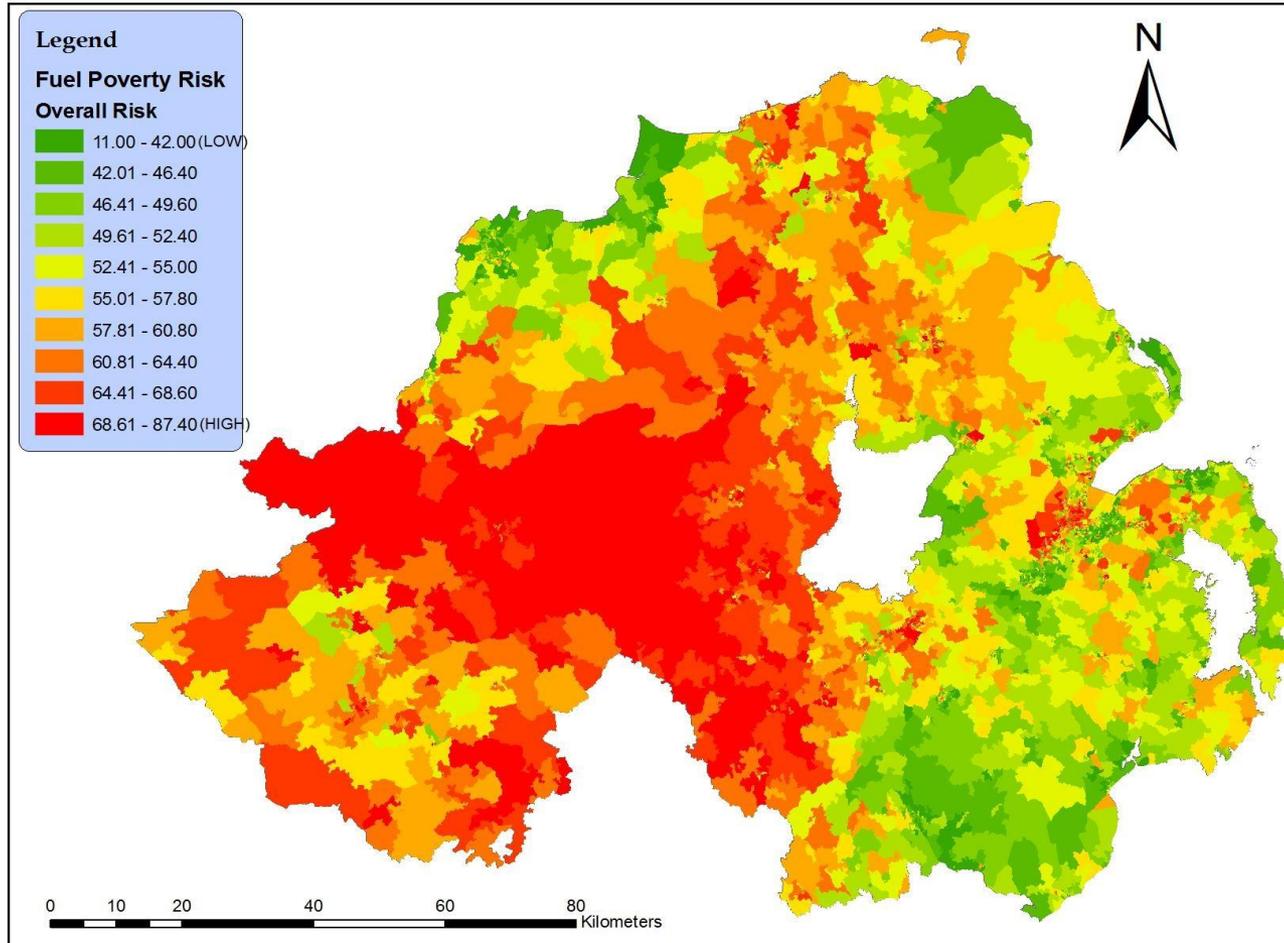
- Research by University of Ulster "Defining Fuel Poverty" highlighted that 33,000 households need to spend more than 25% of their income on household fuel costs
- If you can count them can you find them?
- Using available data and Geographical Information Systems (GIS) the University of Ulster developed a targeting system which is now the most accurate area based tool available in the UK

# Targeting - First Go



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# Improving Targeting

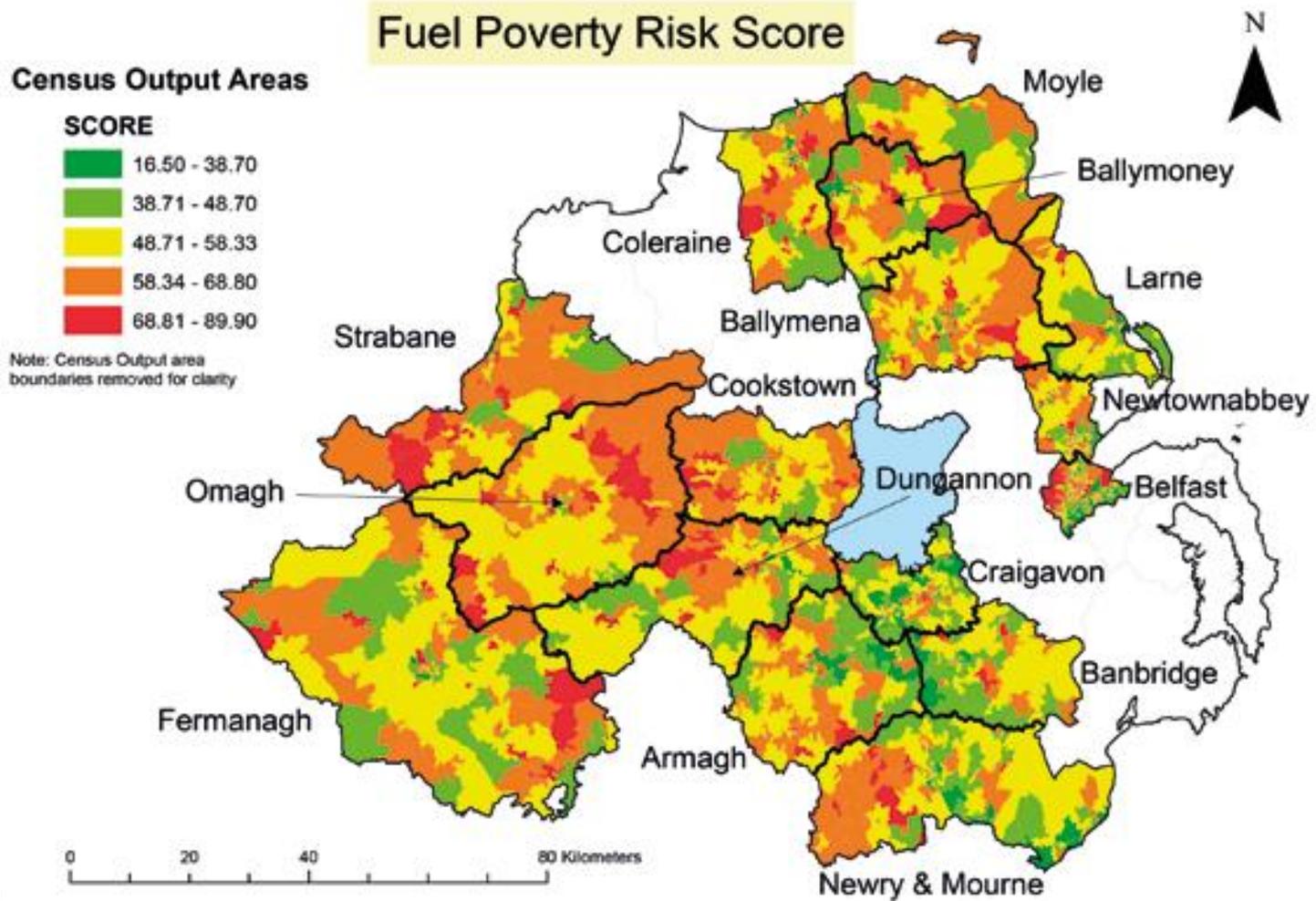


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Data used for targeting:

- Temperature
- Oil prices
- Benefits
- Demographic data based on Census 2001
- Prevalence of Warm Homes referrals since 2001
- Income estimates
- The Northern Ireland Neighbourhood Information Service deprivation index
- House valuation data

# Fuel Poverty Risk Score





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# The Affordable Warmth Pilots

Northern Ireland  
**Housing** Executive





# Area Based Approach – Pilot 1

- Pilot 1 was conducted in 2012 in partnership with 19 Councils and the Housing Executive
- 2,145 households were surveyed
- Professor Liddell evaluated the pilot which showed that
  - 67% of the households surveyed had an income less than £16K
  - 50% of the households surveyed had an income less than £12K
  - 50% lived in rural areas
  - 78% of the households surveyed were in fuel poverty
  - 72% of houses were more than 35 years old
  - More than 50% of the occupants were over 60
  - using a targeted approach and working in partnership with councils was effective
- This formed the basis for a further targeted approach.



# Area Based Approach – Pilot 2

- Pilot 2 commenced in September 2013 and concentrated in 4 council areas (Cookstown, Dungannon, Magherafelt & Newtownabbey). This pilot
  - targeted identified fuel poor households; and
  - tested the effectiveness of using local businesses to install energy efficient improvement measures
- Feedback shows that this targeted approach gets to households which need help most and have not self referred to the Warm Homes Scheme.



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# New Affordable Warmth Scheme



# 1 - Improved Targeting

The Department will target the 33,000 households who need to spend 25% or more of their income on heating and lighting their home.





## 2 - Improved Partnership Working

- The Department will work in partnership with local councils to target households most at risk of fuel poverty and to improve the energy efficiency of their homes.
- Council staff will conduct an initial home visit to assess both the eligibility and requirements for the householder under the scheme.
- The Housing Executive's network of Grant offices will work closely with the householder and an installer of the householder's choice to deliver the energy efficiency improvement measures to the house.





## 3 - The private rented sector

Landlords will make a contribution towards the cost of the energy efficiency improvement work.



## 4 - Eligibility qualification criteria

- Eligibility for the Affordable Warmth Scheme will be based on household income and that the threshold is set at £20,000 gross to be reviewed annually.
- This amount takes account of views raised by respondents about what will count as income and the gross £20,000 per annum threshold will include all social security benefits.





## 5 - Energy Efficiency Measures

Measures will be available in priority order:

1. Insulation
2. Heating
3. Windows/draught proofing
4. Solid Wall

## 6 - Management of Self Referrals

- An element of self referral will remain in the scheme to allow for eligible households to benefit.
- Affordable Warmth Scheme is targeted at those most in need, the number of self referrals should be relatively small and controlled at the discretion of the councils where they identify a need outside the targeted area.

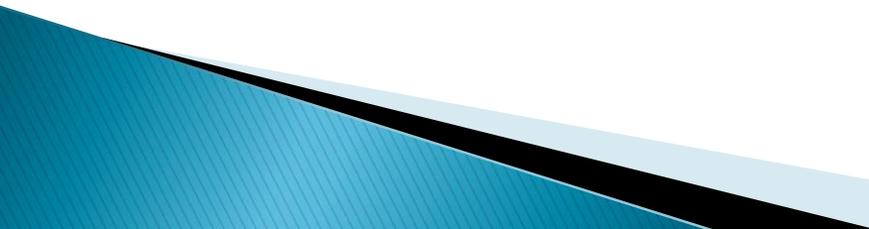




## 7 - Client Contribution

- The current Warm Homes Scheme grant limit is £6,500 and this will be increased to £7,500 to allow for the installation of appropriate measures in the targeted households.
- The grant limit is further increased to £10,000 for properties of solid wall construction.
- Householders will be given the opportunity to make a contribution to the work when the cost exceeds the new grant limit, although we do not expect to see many of these cases
- Gives us some flexibility

# Next Steps for us

- Roll out Affordable Warmth across councils from September
  - Warm Homes Scheme continues
  - Spend £16.5m budget
  - Evaluate and Review
  - Revise the scheme
  - Bid for more money
- 



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**Thank you**