



Department for

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Consultation on a draft Fuel Poverty Strategy

December 2024

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1. Ministerial Foreword

This consultation on a new Fuel Poverty Strategy sets out a pathway to a Northern Ireland where everyone lives in a warm, healthy home. Too many people live in houses that they struggle to heat, and our most recent modelling suggests that in 2022 more than a quarter of households here were living in fuel poverty. Living in cold and damp homes impacts health and well-being, particularly for the most vulnerable in our society. The continued high prices of fossil fuels, low standards of energy efficiency in our homes and the ongoing cost of living all contribute to unacceptably high levels of fuel poverty.

My Department has made significant investment in improving energy efficiency in low-income households. In addition, I have recently secured a £17million allocation to provide a one-off £100 payment to pensioners no longer eligible for the Winter Fuel Payment and an uptake in additional benefits of £62million in 2023/24 through my Department's Make the Call service, £21.3million of which went to pensioners. These have all supported people struggling with high energy bills, especially older people, and have made a meaningful contribution to addressing fuel poverty.

In developing this consultation we have worked collaboratively with those who understand and can address fuel poverty. Our stakeholders provided valuable insights into the lived experience of people living in fuel poverty and have shaped the proposals contained within this consultation. Using the

input gathered during our engagement we now set out a series of actions, guided by clear and fair principles, to help us achieve three key goals: to make homes more energy efficient, to collaborate and build capacity, and to protect consumers.

Tackling fuel poverty will require significant collaboration across government and our partners to continue to provide both emergency and long-term support. It will help achieve wider societal benefits by supporting those struggling with the cost of living, improving health outcomes and decarbonising our homes.

The recent announcement to restrict the winter fuel payment creates an additional financial burden for less well-off older people and this Fuel Poverty Strategy aims to better understand the longer-term impact of the removal of the payment on pensioners who are above the threshold for winter fuel payments and provide support, if necessary, to help those who have moved into fuel poverty.

I encourage you to play your part in this consultation to help guide and shape this important strategy. This is a continuation of the engagement which my officials have carried out with the most vulnerable in our society. A warm home is a healthy home and your contribution will ensure that this strategy reflects and responds to the needs of those who cannot afford to stay warm in their own homes in the coming winters.

2. Executive Summary

There are many factors that contribute to making energy unaffordable. These include the energy efficiency of homes and the energy needs of the household, the cost of energy, household income and people's ability to access energy solutions that are right for them. Tackling fuel poverty in Northern Ireland will help protect people, particularly the most vulnerable, from the effects of cold and damp living conditions. Doing so sustainably will also make a positive contribution to our carbon reduction targets.

Our vision is a warm healthy home for everyone, and we propose that our approach to addressing fuel poverty should be needs-based, participative, collaborative and focused on long-term, sustainable solutions. Achieving our vision and being guided by these principles will make a significant positive contribution to a Just Transition to a low-carbon economy.

Improving the energy efficiency of homes is the first of our objectives and is a key priority. The energy efficiency of Northern Ireland's housing stock is among the worst in Europe and to address this we need to establish and raise housing standards and significantly increase investment in energy efficiency. Improving housing standards will help make homes easier to heat and

set clear expectations from government for homeowners across a range of housing tenures. This consultation also explores proposals for the successor to the Affordable Warmth Scheme and proposes alignment of our Fuel Poverty Strategy principles in all new home energy schemes.

Through our stakeholder engagement process we heard repeatedly about the importance of coordinating services to improve outcomes for citizens. Our second key objective is therefore to collaborate and build capacity, and particularly to build partnerships that can identify and provide advice and long-term sustainable support to those most in need. We will work closely with the voluntary and community sector and statutory bodies to build capacity and confidence and improve people's ability to seek the right energy solutions for them. However, we know that many people face stress just trying to pay for the essentials of life. Part of our response will need to address the immediate difficulty of keeping people's homes warm in emergency situations and ensuring such support is accessible and consistent. We will improve the pathway to ensure that they can also access the long-term, sustainable solutions that will help prevent or reduce future emergencies.

Making our homes more sustainable will help create warmer, healthier houses, reduce air pollution and create new job opportunities. However, the transition will mean changes to people's homes, energy sources and behaviours. Our third objective therefore focuses on protecting consumers. This means improving our understanding of the impacts of changes on their energy bills and exploring bill support for those groups for whom energy efficiency measures may not be a viable option. It also means making sure that when we fund energy efficiency and low-carbon heating measures that people can expect a common standard of installation and protection. This will also help industry plan their investment in training and accreditation.

We were asked by stakeholders to ensure that the language we use when designing and delivering schemes is clear, dignified and appropriate. This consultation therefore asks whether we should consider moving away from the language of fuel poverty and towards energy wellbeing to emphasise

the importance of essential and affordable energy to enable a decent standard of living and health.

During our engagement, there were calls for better and more frequent data on fuel poverty and its impacts. We propose improving our understanding of how fuel poverty affects people and utilising data to design better policy and ensure that interventions reach those who need help the most. We will improve monitoring and accountability by introducing indicators on issues that stakeholders have told us are important to them.

Our renewed focus on transparency also includes proposals for more regular, visible reporting and, reflecting our commitment to inclusiveness, ensuring that the voices of those most affected by fuel poverty continue to inform the implementation of this strategy.

3. Strategic Framework

| | | | |
|--|---|--|---|
| Context | Just Transition, Climate Change Act (NI) 2022, Carbon Budgets, Programme for Government (“Our Plan”) | | |
| Vision | A warm, healthy home for everyone | | |
| Principles | Long-term, sustainable solutions | Needs-Based | Collaborative |
| Objectives | Make homes more energy efficient | Collaborate and build capacity | Protect Consumers |
| Outcomes | Improved energy efficiency for vulnerable households | Increased access to trusted energy efficiency advice, measures and support for low income, vulnerable households through partnership working | Informed, protected consumers have access to essential, sustainable and affordable energy |
| Governance & Accountability | Introduce a comprehensive, more frequent framework for understanding fuel poverty indicators and outcomes | Ministerial statement annually before the Assembly | Form a Fuel Poverty Advisory Panel |

Fuel Poverty Strategy Policies & Actions

Objectives / Policies

Make homes more energy efficient

1. Raise and appropriately enforce housing standards
2. Increase investment in energy efficiency schemes for vulnerable households

Collaborate and build capacity

3. Utilise and build on experience and knowledge of others to increase energy wellbeing
4. Ensure consistent, accessible financial support for vulnerable people in emergencies

Protect Consumers

5. Implement a new support framework for energy affordability
6. Ensure robust protection and redress for heating and energy efficiency

Proposed Actions

1. Introduce a revised Decent Homes Standard for social housing by 2026
2. Introduce Minimum Energy Efficiency Standards (MEEs) for the Private Rented Sector (PRS) by 2027
3. Implement improved Fitness Standards for all tenures by 2030
4. Alignment of Fuel Poverty Strategy principles in all new home energy schemes
5. Introduce a more ambitious fuel poverty energy efficiency scheme
6. Consider alternative funding models to increase investment in energy efficiency schemes

1. Utilise and enhance referral partnerships across government and our partners to raise awareness of energy wellbeing, identify people in fuel poverty and provide support
2. Introduce a One Stop Shop
3. Explore role of community energy in addressing fuel poverty
4. Implement key aspects of NICE Guidelines on the health risks associated with living in a cold home
5. Work with other organisations to ensure consistent emergency support and referrals to efficiency measures and advice
6. In a future energy crisis, target financial assistance at those most in need
7. Gain a better understanding of the impact of changes to the Winter Fuel Payment and introduce additional support where appropriate

1. Improve our understanding of energy decarbonisation policies on the affordability of domestic energy bills
2. Raise awareness of existing price protection tools
3. Investigate targeted affordability support for certain vulnerable households
4. Assess need for non-price protection of less-protected energy and take appropriate steps
5. Agree minimum quality standards for all energy efficiency schemes
6. Ensure appropriate aftercare and redress mechanism for government energy schemes

4. Introduction

Fuel poverty is the inability to heat or power a home to an adequate degree at a reasonable cost. It is affected by household income, the cost of energy and how much energy is needed in the home. Fuel poverty levels in Northern Ireland have fluctuated from 27% in 2001, to 44% in 2009 and 22% in 2016¹ as reported in the NI House Condition Survey.² The most recent modelled fuel poverty estimate using the 2016 baseline data estimated a fuel poverty figure of 27% in 2022.³ Protecting human health from the detrimental effects of living in cold and damp homes is the primary driver for tackling fuel poverty in Northern Ireland.

Our extant Fuel Poverty Strategy was published in 2011 and since then we have invested significantly in improving heating and energy efficiency in low-income households. However, much more needs to be done to improve the energy efficiency of homes. This will also help protect households

from volatile fossil fuel prices and economic shocks caused by geopolitical unrest.

In 2022, climate legislation was introduced in Northern Ireland with targets to reduce our reliance on fossil fuels and an intention to do so in a way that contributes to reducing poverty and inequality through a Just Transition. This is core to our approach.

The proposals contained in this consultation have been developed in collaboration with a wide range of stakeholders, including the public, organisations and parts of Government that have responsibility for, or are impacted by, fuel poverty.

Purpose of document

This document sets out draft proposals for a Fuel Poverty Strategy that will contain a range of actions to make homes more efficient, raise awareness and build confidence and

1 Lead author Dr Salvador Acha, from the Department of Chemical Engineering at Imperial College London, said: "Studies show the UK's 28.6 million homes are among the least energy efficient in Europe and lose heat up to three times faster than on the continent, making people poorer and colder.
<https://www.imperial.ac.uk/grantham/publications/energy-and-low-carbon-futures/decarbonising-buildings-in-sights-from-across-europe.php>

2 The Housing Executive - House Condition Survey (nihe.gov.uk)

3 The Housing Executive - House Condition Survey (nihe.gov.uk)

capacity, enhance collaboration and protect consumers. We are carrying out a full public consultation on a draft Fuel Poverty Strategy. We expect to publish a final strategy in Summer 2025.

Privacy, Confidentiality and Access to Consultation Responses

For this consultation, we may publish all responses except for those where the respondent indicates that they are an individual acting in a private capacity (e.g. a member of the public). All responses from organisations and individuals responding in a professional capacity will be published. We will remove email addresses and telephone numbers from these responses, but apart from this, we will publish them in full. For more information about what we do with personal data please see our consultation privacy notice. Your response, and all other responses to this consultation, may also be disclosed on request in accordance with the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIR). However all disclosures will be in line with the requirements of the Data Protection Act 2018 (DPA) and the General Data Protection Regulation (GDPR) (UK) 2016/679. If you wish your response to be treated as confidential it would be helpful if you could explain to us why you regard the information you have provided as confidential, such that this may be considered if the Department should receive a request for the information under the FOIA or EIR.

Impact assessments

Section 75 of the Northern Ireland Act 1998 requires public authorities, in carrying out their functions relating to Northern Ireland, to have due regard to the need to promote equality between all Section 75 groups. Without prejudice to these obligations, the Department is also required, in carrying out its functions relating to Northern Ireland, to have due regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group. Equality screening of this consultation document has identified no adverse impacts. On this basis, the decision is that the proposed fuel poverty strategy should not be subject to a full equality impact assessment.

Rural Needs Impact Assessment: The Rural Needs Act (NI) 2016 introduced a new duty on NI departments, district councils and other public authorities to have due regard to rural needs when developing, adopting, implementing or revising policies, strategies and plans and when designing and delivering public services. The Department, under a commitment to rural proof, is also required to identify the potential impact on rural areas and if appropriate, adjust to take account of rural circumstances. As part of the development of this consultation, issues in relation to the social and economic needs of people in rural areas have been identified and taken into consideration.

5. Strategic Context

Fuel poverty is affected by and impacts policies and actions across government. Our approach in developing this draft strategy has been to reflect and build on existing government priorities relating to fuel poverty while setting new ambitions. We have collaborated closely with other parts of government and ensured stakeholder engagement throughout the process.

Reflecting and building on existing government priorities

The draft Programme for Government includes the publication of a new Fuel Poverty Strategy, as well as a commitment to provide more social, affordable and sustainable housing and making a contribution to the people, place and prosperity missions.⁴ The draft Investment Strategy for Northern Ireland⁵ recognises the importance of improving domestic energy efficiency in addressing fuel poverty, decarbonising our homes and reducing emissions and supporting green jobs for economic growth.

Since 2021, Northern Ireland has set a new ambition to decarbonise our economy. This includes a new Climate Change Act which sets a legal requirement to reduce emissions (from base year emission levels) by 48% by 2030.⁶ The Act includes a Just Transition principle to ensure that the benefits of moving to a green economy are shared widely and support is provided for sectors and people who are likely to be most affected by the transition. We believe that this strategy, which aims to reduce fuel poverty, makes a particular contribution to a Just Transition by its focus on actions to help eliminate poverty, inequality and social deprivation.

Other government policies impact our approach to fuel poverty including those relating to poverty, health, housing, energy and climate. Among these are the draft Green Growth Strategy⁷, the Carbon Budgets⁸ and the Climate Action Plan that will deliver on these. The Energy Strategy - The Path to Net

4 Our Plan: Doing What Matters Most. Draft Programme for Government 2024 – 2027. <https://www.northernireland.gov.uk/sites/default/files/consultations/newnigov/draft-programme-for-government-our-plan-doing-what-matters-most.pdf>

5 Draft ISNI 2050. <https://isni.gov.uk/strategy/draft-isni-2050/>

6 Climate Change Act (Northern Ireland) 2022 ([legislation.gov.uk](https://www.legislation.gov.uk))

7 Consultation on the draft Green Growth Strategy for Northern Ireland | Department of Agriculture, Environment and Rural Affairs (daera-ni.gov.uk)

8 Summary of Responses: Consultation on Northern Ireland's 2030 & 2040 Emissions Reduction Targets & First Three Carbon Budgets & Seeking views on Climate Change Committee (CCC) Advice Report: The path to a Net Zero Northern Ireland | Department of Agriculture, Environment and Rural Affairs (daera-ni.gov.uk)

Zero Energy has a key indicator of reducing households in fuel poverty⁹. Our Housing Supply Strategy¹⁰ sets out a 15-year journey to transform housing supply. Work has also been carried out on developing an Anti-Poverty Strategy¹¹ as well as a review of the People and Place Strategy.¹² Consideration is currently being given to a refresh of Making Life Better, our public health strategy¹³ which relates to the health impacts of fuel poverty.

We have reflected the ambitions of these in developing this draft strategy. Addressing fuel poverty in the right way can lead to a reduction in emissions, improve housing conditions and, through better, warmer homes, improve health outcomes and ensure people have to spend less on their fuel costs.

Stakeholder engagement

Our approach has focused on engaging with stakeholders through the formation of a Reference Panel, holding workshops and focus groups to understand and learn from existing experience and knowledge of fuel poverty and building close links across those parts of government that have responsibility for or respond to those who are impacted by fuel poverty.

A Reference Panel was formed with external expertise to provide advice, evidence-based communication and a reference-and-challenge function throughout the development of this strategy. A Project Board comprised of senior officials from across government was established to provide high-level oversight and strategic direction. Both groups met regularly from September 2023.

In addition to these groups and ongoing bilateral engagement, we organised workshops to engage and listen to stakeholders. A total of 268 registrants from a wide range of backgrounds came together to inform the process, raise issues and concerns, bring forward new ideas, and highlight what has worked and what can be strengthened. Focus groups were also held with vulnerable groups impacted by fuel poverty. We held a webinar on fuel poverty definitions with experts from New Zealand and the Netherlands to inform our understanding of measuring fuel poverty.

A Stakeholder Engagement Report outlining our approach and findings from the engagement process has been published alongside this strategy.

9 **Energy Strategy - Path to Net Zero Energy | Department for the Economy ([economy-ni.gov.uk](https://www.economy-ni.gov.uk))**

10 **Housing Supply Strategy 2024-2039 ([communities-ni.gov.uk](https://www.communities-ni.gov.uk))**

11 **Anti-poverty | Department for Communities ([communities-ni.gov.uk](https://www.communities-ni.gov.uk))**

12 **People and Place Review | Department for Communities ([communities-ni.gov.uk](https://www.communities-ni.gov.uk))**

13 **Making Life Better - Strategic Framework for Public Health | Department of Health ([health-ni.gov.uk](https://www.health-ni.gov.uk))**

To provide a voice to those impacted by fuel poverty we have included quotes from our focus groups throughout this consultation document.

6. Vision and Principles

“In relation to damp and mould. Everyone knows that this affects your health. People know that they need to keep the heat on, but they simply can’t afford it”

Vision

A warm, healthy
home for everyone

Tackling fuel poverty will contribute to Executive commitments to improve health and wellbeing, tackle poverty, contribute to climate change targets and deliver positive outcomes for society. To support this strategy, we have set out a vision that describes our goal, setting out our desired outcome for the future and what success will look like. This vision will be shared across government departments and our partners.

During our stakeholder engagement phase this vision was tested and discussed. Most stakeholders welcomed the proposed vision. This vision is aspirational and should guide our work and the work of our partners when making decisions that may impact on people experiencing fuel poverty. It sets out our overall outcome and should be easily understood, not just by our partners, but also the people we are trying to help.

Principles

These principles support our vision and guide all the work we do, describing the way we will deliver solutions to tackle fuel poverty. All proposals and actions must meet each guiding principle and contribute to our vision for the future.

| PRINCIPLE | EXPLANATION |
|--|---|
| Long-term sustainable solutions | Ensure people are lifted out of fuel poverty by focusing on long term solutions rather than short term fixes, aligning our duties under the Climate Change Act (NI) 2022, including those relating to the Just Transition principle and its connected objectives to ensure that actions taken eliminate poverty, inequality and social deprivation. |
| Needs-based | Respond to the changing needs of people in or at risk of fuel poverty by providing more flexible, holistic support that prioritises those most in need. |
| Collaborative | Building partnerships, referral networks and collaboration across all sectors of society will be at the heart of everything we do. |
| Participative | Empowering people and communities to seek long-term solutions, recognising and removing barriers, and enhancing the capacity and confidence of fuel poor people to seek support. |

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

Timeframe

We believe that a new Fuel Poverty Strategy needs to give sufficient long-term direction for stakeholders while also recognising that we are in a period of significant change in decarbonisation policy. We propose that the strategy focus on a ten-year period to 2035

with a review in 2030. This will provide a clear pathway for homeowners, our partners and industry to plan, prepare, invest and engage in the journey to more efficient homes and greater energy security.

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

7. Make homes more energy efficient

OUTCOME 1: Improved energy efficiency for vulnerable households

Energy efficient homes are easier to heat and stay warm for longer. Improving energy efficiency is therefore a priority to reduce fuel poverty. A vulnerable household is one that is most at risk of fuel poverty and most likely to be negatively impacted by it, for example, households with low incomes, a long-term health condition or illness exacerbated by the cold. Good quality, warm, secure housing is vital to both mental and physical health, with the very young and very old most vulnerable to the impacts of fuel poverty.

More efficient homes contribute to the Energy Strategy principle of “Do more with less”¹⁴ and the Housing Supply Strategy objective of reducing whole-life carbon emissions from new and existing homes.¹⁵

To deliver on this outcome, we will:

- Raise and appropriately enforce housing standards

- Increase investment in energy efficiency schemes for vulnerable households

Current schemes to improve energy efficiency include the Affordable Warmth Scheme, Northern Ireland Sustainable Energy Programme (NISEP) and projects developed and delivered by the Northern Ireland Housing Executive (NIHE). Government energy efficiency schemes raised mean SAP figures (an estimate of how much energy a property uses) from 59.63 to 65.83 between 2011-2016 and contributed to fuel poverty reduction during this period. However, investment in energy efficiency must increase significantly. Government must also collaborate across departments to ensure that there is a common approach to how we design and target future home energy schemes.

Minimum housing standards in Northern Ireland are significantly lower than those in the rest of the UK. Inefficient housing stock contributes to fuel poverty and stakeholders

¹⁴ The Path to Net Zero Energy. Safe. Affordable. Clean. (economy-ni.gov.uk)

¹⁵ Housing Supply Strategy 2024-2039 (communities-ni.gov.uk)

particularly raised concerns about inadequate housing in the private rented sector (PRS). In addition to improving thermal comfort, raising housing standards will make homes easier to heat, reduce damp and condensation through appropriate ventilation, make rental properties more attractive, and increase the value of the house.

Objective 1: Raise and appropriately enforce housing standards

Housing standards include a mix of statutory and administrative standards applying to different tenures and covering a range of safety, environmental and amenity aspects. Elements of each impact the efficiency and thermal comfort of housing and will impact fuel poverty, though none were designed specifically for this purpose. Some of our housing standards have not been updated significantly for decades and therefore significant improvement is now required.

Our aim is for all homes to be of good quality meaning that everyone can expect the same high standards no matter their tenure. This means updating existing policies and developing new policies that will ensure our housing standards support the delivery of higher quality homes across all tenures.

Through our pre-consultation engagement, there was an emphasis on the challenges facing tenants in the PRS. Tenants feel they have very little control over energy efficiency

and heating provision and landlords often blame them for damp, mould, or disrepair. They feel vulnerable if they raise concerns about their living conditions, fear eviction if they make complaints about poor conditions and fear retaliatory rent rises after energy efficiency improvements.

Proposed action: Introduce a revised Decent Homes Standard for social housing by 2026

The Decent Homes Standard applies to the social housing sector. A home is considered decent if it meets four criteria:

- a) It meets the current statutory minimum standard for housing (Fitness Standard)
- b) It is in a reasonable state of repair
- c) It has reasonably modern facilities and services
- d) It provides a reasonable degree of thermal comfort

DfC is developing a new Decent Homes Standard and social housing will be required to comply with this standard as part of the regulatory programme for social housing. Introducing this standard may impact fuel poverty as ‘criterion d’ (a reasonable degree of thermal comfort) requires dwellings to have both effective insulation and efficient heating. A ‘reasonable degree of thermal comfort’ is not yet defined but is likely to require higher standards of energy efficiency

and the consultation on the new Decent Homes Standard will explore this more fully.

Question 3: What would a readily understandable and measurable definition of “thermal comfort” look like?

Proposed action: Introduce Minimum Energy Efficiency Standards (MEES) for the Private Rented Sector (PRS) by 2027

The 2016 NIHCS¹⁶ estimated that only 43% of private rented dwellings had an EPC rating A-C and 26% of those living in the PRS were living in fuel poverty - the highest percentage of any sector. Tenants in the PRS make up a very high proportion of the number of calls to Housing Rights advice services and some of the most common issues raised are damp, mould and cold.¹⁷

DfC has enabling legislation to establish standards for the PRS.¹⁸ Given the highest levels of fuel poverty are in this sector we propose to set MEES for PRS by 2027. Landlords will be required to comply with these new MEES standards within this strategy period and the exact date will be subject to consultation. DfC is currently progressing the transfer of the Landlord Registration Scheme to Councils, with Lisburn

and Castlereagh Council acting as the lead for this work. The overarching aim of the transfer is to make registration a more meaningful tool for improving the PRS. A second phase of this work will include exploring the potential to link standards more explicitly to the registration process.

MEES for other sectors may also be needed to achieve our aim that everyone can expect the same high standards. The Scottish Government is proposing that owner-occupied homes will be required to meet the same MEES as the PRS five years later (2033 and 2028 respectively).

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?

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

16 The Housing Executive - House Condition Survey (nihe.gov.uk)

17 A 'just transition' to net zero in Northern Ireland | Housing Rights

18 Private Tenancies Act (Northern Ireland) 2022 (legislation.gov.uk)

Proposed action: Implement improved Fitness Standards for all tenures by 2030

The Fitness Standard is a basic standard for human habitation. It has not been substantially updated since its introduction in 1981 and has not kept pace with building standards, environmental or health and safety issues. 2% of dwellings (16,370) were considered unfit in 2016 and the most common reason for a property being classified as unfit was dampness.¹⁹ The House Condition Survey also assessed our housing stock based on the Housing Health and Safety Rating System (HHSRS), which is a risk-based system that replaced the Fitness Standard in England and Wales. Applying these standards, 9% of dwellings (69,900) had Category 1 hazards²⁰ and one of the common risks in HHSRS was excess cold.

Housing Health and Safety Rating System (HHSRS)

The HHSRS is a statutory, risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. Environmental Health Officers inspect a property and consider the likelihood of harm to the occupier, how

serious it would be and whether it would pose any additional risk for children or older people.

The HHSRS assesses 29 hazards and the effect that each may have on the health and safety of current or future occupants of the property. If a hazard is a serious and immediate risk to a person's health and safety, this is known as a Category 1 hazard. If a hazard is less serious or less urgent, this is known as a Category 2 hazard. Local Authorities have a duty take appropriate action in relation to Category 1 hazards and may choose to act in relation to other hazards.

The Housing Supply Strategy²¹ recognises that our Housing Fitness Standard lags behind other jurisdictions. It notes issues with the quality, security and safety of the PRS and commits to undertaking a comprehensive review of fitness standards. To address this, we commit to updating Fitness Standards by 2030. One area in which this standard is particularly deficient is defining “thermal comfort”; it requires “adequate provision for heating,” but no minimum standard is specified. “Thermal comfort” will consider the outcomes of the Decent Homes Standard

19 House Condition Survey Main Report 2016 ([nihe.gov.uk](https://www.nihe.gov.uk))

20 House Condition Survey Main Report 2016 ([nihe.gov.uk](https://www.nihe.gov.uk))

21 Housing Supply Strategy 2024-2039 ([communities-ni.gov.uk](https://www.communities-ni.gov.uk))

review and Minimum Energy Efficiency Standards.

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

Objective 2: Increase investment in energy efficiency schemes for vulnerable households

A very significant increase in funding for energy efficiency schemes is required. This will deliver substantial savings for consumers²² and generate savings for public health²³. Investing in energy efficiency will tackle fuel poverty, help our communities, reduce emissions in the residential sector, support green jobs for economic growth, and improve health outcomes for tenants and homeowners, contributing to a reduction in health inequalities. Government must collaborate to ensure that access to different kinds of support is straightforward and home energy schemes complement and align with each other.

A key policy to support this objective is the successor to the Affordable Warmth Scheme. This new scheme will be vital to improving the energy efficiency of low-income households and in this consultation, we

explore some key aspects of the new scheme. We also need to ensure that we consider all potential funding pathways for investment to enable us to achieve our energy efficiency ambitions.

Proposed action: Alignment of Fuel Poverty Strategy principles in all new home energy schemes

All government domestic energy efficiency, heating and other energy schemes should be coordinated to ensure help is available to those who need it most. The majority of government funding for domestic energy efficiency schemes should be allocated to those on low incomes and particularly when facing additional vulnerabilities. Stakeholders called for home energy schemes to be complementary and proposed a common approach to eligibility, ensuring there are no gaps or cliff-edges in support.

While not all domestic energy schemes will focus on the fuel poor, we believe that they should take account of the principles proposed in this strategy so that the fuel poor are not left behind:

- Long-term sustainable solutions
- Needs-based
- Collaborative
- Participative

²² <https://www.theccc.org.uk/publication/sixth-carbon-budget/>

²³ [Capturing the Multiple Benefits of Energy Efficiency \(windows.net\)](#)

For example, there is already a commitment that the roll-out of smart meters will be done with consumers at the core, in terms of both consumer protection, empowerment and cost effectiveness. Smart meters can improve consumer understanding of electricity use in the home, and, if new tariffs are introduced, they can help people manage or adjust their electricity use to take advantage of times when costs are lower²⁴.

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

Stakeholders also told us that as government develops new schemes we should ensure:

- **Consistency** – the need for long-term schemes and avoiding a ‘stop and start’ approach. Support to be available across Northern Ireland, moving away from what was sometimes referred to as a ‘postcode lottery’
- **Flexibility** – government should be responsive to changing needs and stakeholders requested that schemes build in flexibility in both eligibility and approach
- **Transparency** – making it clear what schemes are offering and who is eligible, as well as communicating with applicants

throughout the application process.

It also means government sharing appropriate data to help plan and target schemes to areas or groups of people who need support most.

Proposed action: Introduce a more ambitious fuel poverty energy efficiency scheme

All questions posed in this section refer to the Department for Communities new fuel poverty energy efficiency support scheme.

Improving the energy efficiency of vulnerable households has been a central element of the Government’s Fuel Poverty Strategy for many years. In Northern Ireland, the Affordable Warmth Scheme was introduced in 2014.

This Scheme provided a wide range of energy improvement measures including installation of new heating systems, cavity wall and loft insulation, replacement windows and external insulation in solid wall properties. The current Affordable Warmth Scheme stops in March 2026.

The Department for Communities is now planning an expanded, more ambitious energy efficiency support scheme that will take account of current economic issues, construction inflation and include the potential for replacing energy sources with lower carbon options.

²⁴ Data-For-Good-Final.pdf (esc-production-2021.s3.eu-west-2.amazonaws.com)

Eligibility Criteria

The current eligibility criteria used to assess applications within the Affordable Warmth Scheme are that:

- (i) applicants must own their own home and occupy it as their sole or main residence, or rent from a Private Sector landlord, and
- (ii) have a total gross annual household income of less than £23,000.

The income threshold and eligibility criteria are currently set in legislation within the Domestic Energy Efficiency Grants Regulations (Northern Ireland) 2009 and the use of gross income including certain passport benefits to define eligibility for grants provides a simple means of administering applications. However, the income threshold for the Affordable Warmth Scheme currently excludes groups such as the working poor and some pensioners as the calculation of the threshold was made using data that is now outdated.

During the stakeholder engagement workshops, participants raised the need to consider the makeup of income and stated that disposable income was the most important factor when looking at those low-income households most in need.

Additionally, the issue was raised that by only using income threshold as an eligibility criterion, it could mean a lack of flexibility.

Further discussion raised the point that as well as looking at household income, the makeup of a household was equally important, i.e. whether it was a couple with or without dependents or a single person, as it can also determine the amount of disposable income available.

Question 8: Do you agree that DfC should take a more flexible approach that considers current data when setting and reviewing:

a) income thresholds and

b) eligibility criteria?

Please give reasons for your answer.

Question 9: Do you agree that an income threshold should increase in line with minimum wage levels/inflation or another index such as Retail Price Index (RPI) to mitigate increases in the cost of living?

Please give reasons for your answer.

Participants also felt that using the energy rating and age of a house as eligibility criterion was important, as investing in energy efficiency can make homes more sustainable and resilient which will not only help the current occupier of the house but also assist future generations that will live in the property.

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.

Energy Efficiency Measures

Given that in a typical household, heating accounts for over half of the fuel bills ²⁵, most people think of their heating as a key factor when considering the energy efficiency of their home. But there is limited benefit in upgrading to an efficient boiler if other elements of the home such as windows that are single-glazed, doors that have gaps around the edges, and uninsulated floors, roofs, and walls are not addressed at the same time.

How well a home retains heat also plays a very important role in how much energy is used when heating your home. If your home is poorly insulated, your heating system will need to work harder and use more energy to maintain the temperature of your home. A typical house with no insulation will lose 33% of heat through walls and 25% through the roof ²⁶.

The main element of retrofitting existing properties is to install measures to improve the fabric of the building such as insulation,

replacement glazing, controlled ventilation and improved airtightness. This alongside renewable energy sources such as solar panels and battery storage, plus low carbon heating options will make homes warmer, easier to heat and healthier for both the occupants and the planet. This is commonly known as the Whole House approach or providing a Whole House solution.

One of the lessons learned from the current Affordable Warmth Scheme is that although there was a priority of measures recommended, applicants could choose not to install all measures offered, opting instead to tackle one energy efficiency issue at a time, such as only replacing an old or broken boiler. By tackling individual measures, they weren't boosting the overall energy efficiency of their homes or maximising the support available.

Question 11: Do you agree that the new scheme should take a Whole House retrofit approach? Please give reasons for your answer

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

²⁵ Help and advice for heating your home - Energy Saving Trust

²⁶ Energy Saving Trust – Home Insulation

In order to meet climate change obligations, it will be necessary to phase out fossil fuel heating and move towards low carbon heating and renewable technologies such as solar panels with battery storage. Heat pumps are by far the most efficient technology, with their co-efficient of performance²⁷ approximately three to five times higher than the efficiency of condensing gas and oil boilers. However, to address and reduce the impact of fuel poverty it is imperative that the property is well insulated and ventilated so that the cost savings are passed to the householder.

The Affordable Warmth Scheme currently replaces or upgrades fossil fuel boilers if there is no functioning heating system in place or where an existing boiler is at least 15 years old. With the heavy reliance in Northern Ireland on fossil fuels such as oil, there will be a requirement for a stepped approach in the move to low carbon heating. Additionally, the Affordable Warmth Scheme failed to address the long-standing problem of 'hard to treat' homes, which typically are located in rural areas, off the gas network and often have a solid wall construction. This was a consequence of the current Affordable Warmth Scheme grant limits being too low to fully support these properties.

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

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 give reasons for your answer.

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

Proposed action: Consider alternative funding models to increase investment in energy efficiency schemes

The Energy Strategy included an Executive commitment to substantially increase funding and support for retrofitting buildings. The scale of the ambition to make homes more efficient is also set out in the Housing Supply Strategy. The draft Investment Strategy for Northern Ireland also recognises the need to facilitate retrofitting of the

27 A heat pumps co-efficient of performance (COP) is a measure of its efficiency or how well it converts electricity into heating. A higher COP indicates a more efficient heat pump. For example, a COP of 4, means that for every kW of electricity used, 4 kW of heat was provided to the property.

existing housing stock to improve energy efficiency through increased investment and sustainable funding and partnership models. Investment in energy efficiency must increase significantly.

To achieve our ambitions, we must consider all financing options for home energy investment. Funding currently comes via core funding from the block grant (Affordable Warmth), electricity consumer bills (NISEP), rental income (for investment in social housing, supplemented by borrowing by Housing Associations), as well as individuals or institutions who invest for themselves, either for research purposes or to make a return.

‘The higher the percentage of people who are in fuel poverty should equate to more funding being made available to help with the problem.’

Government funding: We must increase energy efficiency funding for low-income households, particularly those who are more vulnerable. A multi-year budget is necessary to ensure that schemes are both long-term and sustainable. This would enable experience to be built up by delivery agents and referral partners and give confidence to industry to invest in requisite skills and training. It would also help prevent bottlenecks in applications and ensure that schemes are not closed early to new applicants. A key action to deliver this funding is DfC’s new fuel poverty scheme.

Private investment: To achieve higher standards of energy efficiency and thermal comfort we must unlock additional private investment. Stakeholders support a “sliding scale” or tiered approach, whereby those with greatest need receive the most support while those more able to pay contribute in line with their circumstances. This aligns with the public health concept of “proportionate universalism” whereby actions must be universal but with a scale and intensity proportionate to the level of disadvantage.

Landlords will need access to finance to support them to invest in their assets to reach new standards. However, landlord uptake of energy efficiency grants has been historically low: between 5-8% of home upgrades were installed in the private rented sector when Affordable Warmth offered 50% grants to landlords. In Scotland, schemes enabled landlords to access loans,

including the PRS Landlord Loan Scheme. As new standards are introduced, financing options for landlords will be consulted upon individually.

Housing Associations and NIHE carry out maintenance or improvements through their asset management programmes, funded by rental income. We are exploring Financial Transactions Capital funding being made available to Housing Associations to enable investment.

Question 16: Do you agree with a sliding scale approach to funding for home energy schemes?

Question 17: Do you agree that loans are the fairest financing option for landlords who are required to improve their assets? If not, what would you suggest as alternative funding options?

Consumers: The wholesale cost of energy makes up the largest and most volatile aspect of energy bills. Levies are also applied to bills to generate investment to save energy and reduce emissions, which also contribute to reducing costs in the longer-term. In

Northern Ireland, levies applied to electricity bills support the NI Renewables Obligation and the NISEP energy efficiency scheme for lower-income households. In GB, levies on electricity bills support new renewable generation as well as the Energy Company Obligation (ECO) domestic energy efficiency grants scheme and the Warm Home Discount (WHD). ECO and WHD levies are also applied to gas bills.

In Northern Ireland levies usually comprise around 10% of electricity bills²⁸. In GB levies comprise approximately 16% of electricity bills and 6% of gas bills (April-June 2024).²⁹

Additional funding for energy efficiency schemes for low-income and vulnerable households could be enabled by increasing the current levy on electricity bills. NISEP costs a subsidised £3.12³⁰ per domestic customer and the estimated average Lifetime Gross Customer Benefit is between £2,310 and £5,500: a significant benefit for households who access the scheme³¹. Importantly, business and industrial users contribute to NISEP but the vast majority of funding is ringfenced for households.

28 Power NI Tariff Briefing Paper - April 2024.pdf (uregni.gov.uk)

29 Energy & Climate Intelligence Unit | Are 'green levies' going up in... (eciu.net)

30 Annual Retail Energy Market Monitoring Report 2022 | Utility Regulator (uregni.gov.uk)

31 Annual Report

Introducing levies on gas bills may also be a route to increasing investment for energy efficiency schemes. This could also help ameliorate potential disincentives to moving to low carbon, electrified heating in the future: only applying levies to electricity helps make it more expensive relative to gas.

For oil and other heating fuels there would be a number of challenges in considering energy efficiency levies, for example, the fact that these are unregulated, the high number of smaller suppliers, and potential taxation implications.

We would also want to understand the impact of increased energy efficiency levies on different consumers so that we may consider appropriate mitigation if required. This is addressed under Outcome 3.

Question 18: Do you agree that we should consider increasing levies from electricity bills to fund energy efficiency schemes for low-income households? Please give reasons for your answer.

Question 19: Should we explore introducing levies on gas to increase funding for such energy efficiency measures? Please provide reasons for your answer.

Question 20: What are your thoughts on exploring any revenue-raising opportunities for energy efficiency schemes from unregulated heating sources such as home heating oil?

8. Collaborate and Build Capacity

OUTCOME 2: Increased access to trusted energy efficiency advice, measures and support for low-income, vulnerable households through partnership working

While improving the energy efficiency of homes is an important element of alleviating fuel poverty, maximising incomes also plays an important role. The Department for Communities has a key role in this through the payment of social security benefits and helping people into employment, as does the Department for Economy through their economic policy, employment and skills programmes and support for further and higher education.

To alleviate fuel poverty, we want to ensure that people are accessing all the support they are entitled to, taking a holistic approach and collaborating with partners to ensure energy efficiency advice is included in the help provided to meet the needs of the person. The importance of collaboration and coordination of services to minimise duplication, maximise resources and improve outcomes for people was a key theme during our stakeholder engagement. We heard of the difficult circumstances people are in, and the stress and anxiety many face just trying to pay for the essentials in life. This experience meant that

people relied on trusted partners, friends and family to seek help, support and advice.

“People only really seek help when they are at rock bottom and are desperate. To really help you need to get people before they hit rock bottom especially to help with mental health. There is a stigma attached to seeking help and it puts people off.”

This section focuses on collaborating and building partnerships to identify and provide advice and long-term sustainable support to those most in need. A key part of this will be to build the capacity and confidence of people to seek solutions. However, in many cases, that means dealing with the immediate challenge of keeping their home warm before they can focus on the future.

To deliver on this outcome, we will:

- Utilise and build on experience and knowledge of others to increase energy wellbeing

- Ensure consistent, accessible financial support for vulnerable people in emergencies

“When people are already tired and down the last thing they have the energy for is to fight for what they are entitled to.”

Objective 3: Utilise and build on experience and knowledge of others to increase energy wellbeing

During our engagement all stakeholders praised the invaluable help and support provided by advice organisations, community groups, charities and church / faith groups. These organisations are trusted by their communities and have local knowledge that we could never replicate. We also heard of the importance of professionals who are in people’s homes on a regular basis, such as health workers and midwives, in identifying people most in need and providing vital advice and information.

We want to utilise these networks and build on established relationships to ensure those in fuel poverty can access long-term sustainable support to enable them to obtain and afford adequate energy to support their wellbeing in their home (energy wellbeing). To ensure people who

need our help seek it, it is important that we raise the importance and benefits of energy wellbeing and remove the stigma of seeking help and support. We also need to highlight and educate about the visible signs when someone may be struggling.

We know that people are more likely to seek support from people they trust. For some populations this trust may be lacking more than others, for example those from certain migrant communities and travellers. Trusted sources may be family, friends or organisations that have provided support in the past and built a relationship with the person needing help. There is an important role for trusted partners in the health sector, the independent advice network and across the voluntary and community sectors to raise awareness of energy wellbeing, remove any stigma to seeking help and direct people to the appropriate support.

During our engagement, the support provided by the Independent Advice and Debt Services Sector was widely praised and used as an example of how to build referral partnerships and support vulnerable people. This Sector is part of the wider Voluntary and Community Sector and comprises local community-based advice services in each council area, supported by regional advice organisations Advice NI and Law Centre NI. DfC currently

invests approximately £6.6 million annually into the provision of Independent Advice and Debt Services.

Local councils are co-funders and commissioners of community-based advice provision and this is central to the ambitions of Community Plans which have a focus on individual and community well-being.

The Family Support Hub model was also praised. This is a multi-agency network of statutory, community and voluntary organisations that provide early intervention services, or work with families who need support.

Referral partnerships within DfC include DfC's Make the Call benefits advice line following up on Personal Independence Payments (PIP) applications following notification of a terminal illness diagnosis. This leads to an offer of advice and guidance on the wide range of support the applicant may be entitled to, from benefits and transport to energy advice, providing referrals or application assistance as needed.

Subject to Executive approval, during 2025 DfC will consult on the People and Place Strategic Framework Review to improve how we address the objective

need of using a place-based approach to tackling deprivation. This will build on existing structures to develop practical community-based led delivery models to rebalance the relationship between government and communities, giving communities an increased ownership of decision making and improved outcomes.

Proposed action: Utilise and enhance referral partnerships across government and our partners to raise awareness of energy wellbeing, identify people in fuel poverty and provide support

To raise awareness, identify people who need support and provide this support, we will utilise and build upon collaborative partnerships and referral pathways between Government, local Government and the Voluntary and Community Sector. We do not want to duplicate support but rather build a partnership approach to better blend support services to the community and people in need including energy advice and the installation of energy efficiency measures, where appropriate. We will take best practice used by these organisations and provide specialist support when needed, using warm handovers to ensure vulnerable people access the support they need. This will include raising awareness with voluntary and community and health professionals on the signs and impact of fuel poverty, energy advice and referral pathways.

Building on and utilising existing partnerships and referral networks should improve outcomes for people struggling with fuel poverty as they will have access to more holistic support from the right people, delivering the right service at the right time. The Utility Regulator Code of Practice for Consumers in Vulnerable Circumstances requires companies to ensure processes are in place to enable a warm handover of consumers in vulnerable circumstances who need additional support.³² Energy companies could use these referral partnerships to support their customers who are experiencing hardship, either by building a relationship with partners or by referring their customer to additional advice and support.

“I was financially stable, was working and had money coming into the house. I was able to get a mortgage and buy the house and then everything changed when my partner died.”

Referral pathways and holistic support are crucial at crisis or transition points in peoples’ lives, such as following a bereavement or serious health diagnosis. We will seek to enhance the support

provided by Make the Call at these critical transition points to include energy advice and support, working with a wide range of partners including health, Voluntary and Community partners, statutory organisations and energy companies.

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

Proposed action: Introduce a One Stop Shop

Throughout our stakeholder engagement we heard the call for a local, tailored support service so people can access the energy, financial, technical and behavioural advice they need to become more energy efficient and reduce their energy costs. The Energy Strategy made a commitment to establish a One Stop Shop to act as a focal point for consumers as we transition to Net Zero, deliver trusted advice and support to consumers, raise awareness and provide coordination across Government, the public sector and Voluntary and Community Sector. This was expanded on in the 2022 consultation on the One Stop Shop Implementation Plan.

32 Appendix 2 (NIW) - Code of Practice for Consumers in Vulnerable Circumstances.pdf (uregni.gov.uk)

The establishment of a One Stop Shop was widely endorsed by all stakeholders. It underpins many key energy priorities for government. A One Stop Shop offers the opportunity to empower consumers through the provision of free impartial advice, building trust in new technologies, ensuring alignment and delivery of support, services and grants, and supporting behavioural change.

We support the provision of all energy efficiency advice and measures through the One Stop Shop model. One single point of contact for all energy efficiency support will allow us to assess the needs of the consumer and offer the appropriate support. This may mean financial support, either grants or loans, or by offering support with the actual application process, right through to aftercare support, based on the individual circumstances and needs of the consumer.

Many stakeholders conveyed their frustration of frequently changing information, contacts, support and eligibility criteria. The One Stop Shop will offer a single point of contact for specialist advice and grants, and additional support depending on the needs of the consumer. Having a single point of contact will reduce confusion and increase transparency of schemes, while still leaving space for the schemes to be flexible if required.

The Department for the Economy has committed to establish a One Stop Shop. Collaboration across Government and our partners will be necessary to ensure those likely to experience fuel poverty are supported to access specialist energy advice and grants.

Proposed action: Explore role of community energy in addressing fuel poverty

Communities can work together to discover and implement solutions to their energy needs, an approach taken in the Republic of Ireland and elsewhere. This was also recognised in the Energy Strategy which contains a specific commitment to adopt policies that facilitate active consumers and energy communities.

Stakeholders noted local examples of community energy, such as the Northern Ireland Community Energy (NICE) solar energy scheme, which fed profits into a community fuel poverty fund, the GAA green energy fund, the Drumlin Wind Farm Cooperative and recently launched Sustainable Energy Communities project. More broadly we heard calls for the development of community masterplans or community workshops on energy efficiency with more consistent support from Councils.

Community buy-in to energy infrastructure was raised as a significant issue in rural areas where most renewable energy generation is located. Rural communities particularly felt that community energy and renewable technologies were crucial in fostering energy wellbeing.

The Welsh Government Energy Service provides financial and technical support to help public sector and community groups develop their own renewable energy projects. When a community comes forward with an idea, support can be provided with feasibility studies, technical support, non-repayable grants and access to further Welsh Government loan funding. Scotland also has structures in place to support community energy projects such as private sector-funded grant schemes and the Scottish Government's Community and Renewable Energy Scheme (CARES) which supports communities to engage with, participate in, and benefit from the transition to net zero emissions.

Through GB Energy, the Labour Government has committed to scale up municipal and community energy by partnering with energy companies, local authorities and cooperatives to develop small- and medium-scale community energy projects. Profits will flow directly back into local communities to reduce bills with more local generation and ownership

During our stakeholder engagement we heard that those who may be struggling to pay their energy bills may find it harder to engage in seeking or developing community energy solutions. Additional bespoke support will be required to support people and communities to develop community energy projects in response to fuel poverty.

To ensure that vulnerable people and communities can participate in this potential solution to fuel poverty and provide energy stability and resilience for their communities, government will establish a taskforce comprising industry, councils, community energy schemes, experts and community representatives to develop enabling frameworks for community energy.

Question 22: Do you agree with a taskforce/working groups to develop enabling frameworks for energy communities?

Proposed action: Implement key aspects of the NICE 6 Guidelines on the health risks associated with living in a cold home

The National Institute for Health and Care Excellence (NICE) produces guidelines containing evidence-based recommendations for the health and social care sector. NG6 focuses on reducing the health risks (including preventable deaths)

associated with living in a cold home.³³ The recommendations relate to:

- developing a strategy for people living in cold homes
- identifying people at risk from cold homes
- training practitioners to help people with cold homes
- raising awareness of how to keep warm at home
- ensuring buildings meet required standards

Implementing these guidelines in Northern Ireland would increase awareness within the health, social care and voluntary sectors of how health problems caused or exacerbated by cold homes can be addressed through appropriate referrals, training, and identifying heating needs as well as ensuring people are discharged to a warm home. There are also recommendations for housing and energy suppliers on how to deal with certain vulnerable groups whose homes may be too cold for their health and wellbeing. Their implementation would also help to address health inequities in a society where those who live in deprived areas have lower life expectancy, greater health struggles and worse outcomes.

Question 23: Do you agree that government should assess the most relevant recommendations of the NICE6 guidelines and consider their implementation?

Objective 4: Ensure consistent, accessible financial support for vulnerable people in emergencies

During our stakeholder engagement, we heard of the difficulties people struggling with fuel poverty have in looking towards the future and seeking long-term help. We also heard of the challenges that vulnerable people, such as elderly people or those with health conditions, have in accessing appropriate help and support. While we are committed to collaboration and building partnerships to ensure long term help, we recognise that people will still experience crises when access to emergency financial support is required. However, in line with the overarching principles of this strategy, the provision of emergency support must always be accompanied by energy advice and / or a referral to a long-term sustainable solution to support long-term energy wellbeing.

“To get the bare necessity of heat, I have to go to a foodbank.”

33 Overview | Excess winter deaths and illness and the health risks associated with cold homes | Guidance | NICE

Proposed action: Work with other organisations to ensure consistent emergency support and referrals to energy efficiency measures and advice

People may experience occasions in their lives, when, potentially due to an unforeseen bill or an unexpected life event, they will require emergency financial support to keep the lights on or heat their homes. There are many organisations such as food banks, councils' hardship funds and charities such as Bryson House, the Salvation Army or St Vincent De Paul that provide crisis fuel support. However, awareness of support available, knowledge about how to access it, scheme eligibility and availability vary widely across council districts. Many vulnerable people do not know where or how to access support and through our engagement, it seemed that for some, securing emergency support was by chance, maybe hearing from a friend or family member or through contacting a charity.

In response, we will work with organisations, such as local Government, to increase awareness and accessibility of emergency financial support for vulnerable fuel poor people across Northern Ireland. This support should be geographically consistent and must include a referral to energy advice and / or a long-term sustainable solution, most likely an energy efficiency / fuel poverty scheme.

“There is nothing out there. If I had no gas or oil, I don't know where to go.”

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?

Proposed action: In a future energy crisis, target financial assistance at those most in need.

The Discretionary Support scheme is unique to Northern Ireland and was introduced in November 2016 to provide a fast and responsive means of providing short-term financial support. Eligibility criteria includes an income threshold, residency in Northern Ireland and being in an extreme or exceptional situation or a crisis. Applicants

who receive financial assistance from Discretionary Support are referred to Make the Call who complete a benefit needs assessment to identify potential entitlement to benefits and services. Discretionary Support is a well-recognised provider of emergency financial support, and it is available across Northern Ireland.

During the COVID pandemic, Discretionary Support was able to respond quickly, amending legislation to deliver financial support to people who were required to self-isolate. During the subsequent cost of living crisis, the Department for Work and Pensions (DWP) also made large-scale payments (on behalf of DfC) using the benefit system as a quick and easy way to identify those who needed support. During the winter of 2022/23, large scale energy payments were made to all energy customers. While this support was much welcomed, it was not targeted at those most in need.

If there was a future energy or cost-of-living crisis, due to the relative flexibility of Discretionary Support to provide emergency assistance, we propose, until we can secure improved data of who is most in need, that financial support through Discretionary Support should be prioritised rather than developing local large-scale payments based on benefit entitlement. This should ensure that assistance is based on need,

which is a more targeted approach and a much better use of resources. Optimising referral pathways highlighted previously should ensure people who need support are referred to Discretionary Support and could offer support to vulnerable people who may find the application process a barrier.

If Discretionary Support is to undertake this role in the future, it must be appropriately resourced, both financially and physically, potentially having the ability to stand up teams to manage claims in critical times of need.

In addition, we will explore options to share data between relevant organisations, such as the Department for Communities, the Utility Regulator and the Northern Ireland Housing Executive to ensure, if a future energy price emergency was to occur and large-scale payments were to be made, financial assistance could be targeted at those most at need.

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?

Proposed action: Gain a better understanding of the impact of changes to the Winter Fuel Payment and introduce additional support where appropriate

The Winter Fuel Payment was introduced in 1997 as a non-means-tested annual payment ranging from £100 - £300 paid to everyone who reached the qualifying age for State Pension, which is currently 66, and due to rise to 67 in 2026. On 29 July 2024, the Chancellor announced that from Winter 2024/25 onwards, only those receiving Pension Credit or other means-tested benefits would receive the annual Winter Fuel Payment in England and Wales, targeting these payments at those who are most in need. The NI Executive had to maintain parity with GB and implemented the revised eligibility criteria for Winter Fuel Payments locally.

An estimated 28% of households entitled to Pension Credit are not receiving it, with approximately £1.1 million in unclaimed Pension credit expenditure. To maximise claims from those who are eligible, DfC has begun a campaign to promote its uptake.

To minimise the impact of this change on pensioners here, we will analyse the impact of the removal of Winter Fuel Payments on pensioners who are above the threshold for Pension Credit to gain a better understanding of who may be at risk of fuel poverty as a result of this change. Following this analysis, we will provide support, if necessary, to help those who have moved into fuel poverty. This may include working with referral partners and / or energy companies to provide energy advice and long-term support through fuel poverty interventions. If necessary, and subject to the allocation of the necessary budget by the NI Executive, emergency financial support to pensioners who have moved into fuel poverty or are at risk of falling into fuel poverty will also be considered.

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?

9. Protect Consumers

OUTCOME 3: Informed, protected consumers have access to essential, sustainable and affordable energy

The cost of energy is a concern for many households. Improving energy efficiency and generating and using more local renewable energy are crucial to reducing our reliance on expensive imported fossil fuels. However, we need to improve our understanding of how new energy policies impact bills and any potential impacts on fuel poverty, as initial investment in energy efficiency and low-carbon heating sources is required to ensure longer-term savings. It may be necessary to implement energy cost mitigation measures if decarbonisation policies have imbalanced or unfairly distributed impacts on energy bills for different groups of people.

Other forms of energy consumer protection are also important, such as measures relating to debt, standards of service, Codes of Practice and energy literacy.³⁴ Currently price protections only apply to some regulated energy suppliers for electricity and gas; we want to assess whether there are specific vulnerabilities that affect those using oil or pre-payment meters.

We also need to consider protection of consumer's homes when new insulation measures or changes to heating systems are required. People should be able to easily access reliable advice, have confidence in the quality and standard of work carried out, and trust that, if things go wrong, they will be put right with help and support. Protecting consumers in these ways will help to ensure that we achieve a Just Transition.

To deliver on this outcome, we will:

- Implement a new support framework for energy affordability
- Ensure robust protection and redress for heating and energy efficiency

Objective 5: Implement a new support framework for energy affordability

Affordability is a key aspect of consumer protection. Carbon reduction investment brings long-term benefits but there will be necessary short-term costs.³⁵ This strategy's priority is to help manage energy costs through improved energy efficiency in homes. However, a Just Transition means that all policies that will impact energy costs

³⁴ Consumer Protection Programme 2024 – 2029 (CPP24) – Final decision paper | Utility Regulator (uregni.gov.uk)

³⁵ [The-Sixth-Carbon-Budget-The-UKs-path-to-Net-Zero.pdf](https://www.theccc.org.uk/publication/the-sixth-carbon-budget-the-uks-path-to-net-zero/) (theccc.org.uk)

must be developed and implemented in such a way that they alleviate fuel poverty, particularly for those most impacted by it. Where this is not possible, appropriate mitigation measures should be considered to ensure that households still have access to essential and affordable energy to enable a decent standard of living and health. Therefore, we need to improve our understanding of the impacts of new policies and schemes on different types of consumers.

Network costs represent about 25% of domestic gas bills and domestic electricity bills. Supply costs make up around 8% and environmental policy costs – NISEP and NIRO renewable energy support – around 10% of electricity bills.³⁶ In Northern Ireland fixed costs are more heavily skewed towards industrial and commercial consumers than domestic consumers.

Proposed action: Improve our understanding of energy decarbonisation policies on the affordability of domestic energy bills

While low-carbon investment will generate savings in the long-term, the distribution of costs and savings over time could create

both winners and losers. Achieving a Just Transition in Northern Ireland requires us to ensure that the impacts of decarbonisation policies will be just and fair. This aligns closely with the Path to Net Zero Energy commitment to assessing the impacts of upfront investment and long-term energy bills on identified consumer populations.

Taking this commitment forward may mean that we need to introduce or improve mechanisms for identifying the impacts and trade-offs of new policies or regulatory decisions on different groups of people. Assessing costs and benefits can be a complex issue. For example, funding for the NISEP energy efficiency scheme comes from levies on all domestic and non-domestic electricity bills. The levies, although small, make up a larger proportion of the household income of lower-income groups. However, the scheme improves energy efficiency in lower-income households which leads to significant lifetime savings in their energy bills. There are potential challenges for regulators to make such trade-offs without government guidance; conversely, government may require information on the context and potential impacts of different choices from the regulator before providing such guidance.³⁷

36 Power NI Tariff Briefing Paper - April 2024.pdf (uregni.gov.uk)

37 Strategic Investment and Public Confidence (nic.org.uk)

Ofgem has introduced an impact assessment tool to better understand the impacts of changes in the energy system on consumers. This assesses how the costs or benefits are distributed across consumers with different characteristics such as income levels, disabilities and fuel types.³⁸ The assessments are part of the decision-making process and provide a structured framework for understanding the impacts of certain decisions (see box).³⁹ They can provide an insight into how policy costs can be spread across either unit rates or standing charges.

After calls for the abolition of standing charges in GB Ofgem analysed potential impacts using their distributional impact assessment tool and concluded:

- 5 million lower-income households would benefit
- 1 million lower income households would lose out and these would include some vulnerable customers with high energy needs, including those reliant on medical equipment and those with poorly insulated homes

The overall effect would be progressive (lower-income consumers would benefit more) but lower-income households that would lose out would see an increase in bills by twice as much as bills would fall

elsewhere. Using this analysis, Ofgem was able to develop options to reduce standing charges by moving some charges to the unit rate and increasing the range of such charges that suppliers offer. The analysis highlights an overall benefit from the changes proposed but also that some consumers' bills would increase. Ofgem was then able to work with government on how the impact on households in the domestic retail market could be reduced.

A better understanding of how new policies could impact the energy bills of different population groups could support evidence-based decision-making and help identify whether potential mitigations may be required. The Consumer Council highlights this as an important aspect of future-proofing consumer affordability and it also reflects Utility Regulator's commitment to embed Just Transition principles within their analysis and decision-making.

38 Assessing the distributional impacts of economic regulation ([ofgem.gov.uk](https://www.ofgem.gov.uk))

39 Standing charges: domestic retail options | Ofgem

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

Proposed action: Raise awareness of existing price protection tools

Consumers can manage their energy bills by understanding and reducing their energy use and looking for the cheapest supplier. For electricity and gas, the best way a consumer can affect their bill is through switching suppliers to get a cheaper tariff. However, switching is challenging for some people: even if they get help to switch, they may not be able to check and change when the initial offer stops and prices rise. People can also engage with suppliers on payment methods that may be more suitable for them.

Oil prices are more volatile than gas or electricity and competition between suppliers is the primary method of keeping costs down.⁴⁰ Oil-buying clubs can help people buy in bulk with average savings of £10-£30 on 200 litres of oil, however stakeholders, particularly in rural communities, reported inconsistency in the availability of such clubs. The Consumer Council also publishes weekly data on oil prices to help people find the cheapest supplier.

Not enough people are aware of, or use, the tools that help access lower-cost energy. It is therefore important to increase awareness and engagement in tariff and supplier switching and oil-buying clubs while recognising that there can be barriers to accessing the cheapest energy source for those who have certain vulnerabilities.

Question 28: Do you have suggestions for how we could improve understanding and awareness of existing tools to enable consumers to manage their energy costs?

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

Proposed action: Investigate targeted affordability support for certain vulnerable households

While investment in energy efficiency is our priority to help people keep their homes warm, this solution is not always appropriate. For example, people living with a terminal illness or significant disability can have higher bills due to medical or life-saving equipment. Energy efficiency measures could support these groups but the timeframe and potential disruption for such works may not be the right solution.

40 Home Energy Index | Consumer Council

Stakeholders suggested bill support to help certain low-income households. This would support targeted households through either an ongoing discount on the unit rate, a commitment to certain customers always being on the lowest tariff, a regular rebate on bills, or some combination of these.⁴¹ Such support would usually be subsidised by a levy on all consumer bills.

We believe that any support, if implemented, should be targeted at particularly vulnerable households for whom other forms of support, such as energy efficiency schemes, may not be appropriate. These vulnerable households could be groups such as low-income households with a terminal illness or a long-term disability that necessitates the usage of specialised medical equipment. We will build an evidence base that includes an analysis of the wider financial impacts of such support. We will also explore the barriers and opportunities of extending the GB Warm Homes Discount to Northern Ireland. We are aware that there are likely to be a number of legislative and operational challenges to doing so.

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.

Objective 6: Ensure robust protection and redress for heating and energy efficiency.

The Energy Strategy notes the need to review existing consumer protection frameworks. Such protections may mean different things depending on the service or product being offered, for example the type of energy supplied, or a new technology being installed in a home.

Certain protections are already in place for consumers in Northern Ireland, but we want to look at those areas where greater protection may be needed. For example, in GB Ofgem identified some consumer protection issues in off-grid markets such as heating oil and LPG.⁴² In our focus groups we heard from people, particularly low-income, those in rural areas and those with disabilities, who experience challenges with their oil supply. Furthermore, people who use pre-payment meters can “self-disconnect” by not topping up and data on this is limited. Similar “self-disconnection” occurs for off-grid fuels, whereby consumers are unable to afford the cost of fuel and either ration significantly or simply go cold.

41 The UK Energy Bill Support Scheme and Energy Price Guarantee, introduced in response to Russia’s invasion of Ukraine, were not social tariffs as they were not targeted to low-income or vulnerable households.

42 [insights paper on households with electric and other non-gas heating](#) | Ofgem

When choosing or installing energy efficiency and renewable energy options, people need to have confidence in the quality and standards of work carried out. They should be able to easily access advice and they need to trust that if things go wrong, they can be put right, with help and support.⁴³ We propose that the following core components should be in place across all Government energy efficiency schemes:

- Trusted advice is available and provided in an easily understandable form
- Confidence in the suitability of recommended energy efficiency and renewable energy measures made through a consistent and complete assessment of the property
- Quality installations are carried out to robust standards by skilled installers, who are members of a standards body, helping consumers identify reliable, trustworthy businesses
- Reassurance that if things go wrong, there is a simple, fair and consumer-focused redress process to make it right

Proposed action: Assess need for non-price protection of less-protected energy and take appropriate steps

In our focus groups we heard that home heating oil accessibility and supply issues are experienced by some low-income, disabled or rural populations and that those from traveller communities have had similar experiences with other alternative heating sources. As we transition our energy use away from fossil fuels these issues may present a greater challenge for those unable to make the change to other energy sources, such as electricity, where a more robust standard of service exists because of market regulation.

Within the regulated sector, people who use pre-payment meters can also experience physical accessibility issues. Recent research also highlights that while people who use gas or electricity prepayment meters are protected by a Code of Practice, most people do not contact their supplier for support when facing challenges⁴⁴. Those who may be struggling should contact their suppliers to see whether help is available but it may be that communication could be improved to encourage this type of engagement.

⁴³ Decarbonisation_Energy_Transport_and_Water_Summary.pdf (consumercouncil.org.uk)

⁴⁴ Energy Hardship - Consumer Lived Experiences - full report.pdf (uregni.gov.uk)

There are therefore different challenges and protection levels for different energy users. More research may be required to identify particular issues for different energy users before we determine whether there is a need to strengthen or provide more consistent non-price protection.

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?

Proposed action: Agree minimum quality standards for all energy efficiency schemes

Reducing energy bills or improving warmth and comfort in homes include traditional methods like adding insulation, changing windows and installing energy-efficient boilers. Renewable energy technologies, such as heat pumps and solar power are becoming more cost-competitive and cheaper to run providing that the property is well insulated and ventilated and along with solar battery storage, play an increasing part in helping many householders produce and store energy in their homes.

‘Have trusted partners who are trusted to know what is needed in a home, that they will not rip people off and will have high standards’

Consumer confidence is required to support people to buy, install, or accept support to embrace these products. Therefore, it is critical that people can trust businesses to treat them fairly and are protected from harmful practices. During the stakeholder engagement workshops, participants raised fears that installers in Northern Ireland may not be fully competent in installing these technology products. However, whilst relatively new to Northern Ireland, they have been commonplace in USA and Europe for many decades. Participants also asked as to the need for specified installer certification, qualifications and / or trusted supplier lists. We believe that a key step on the customer journey is to ensure that quality installations are carried out to robust standards by skilled installers, who are members of a standards body helping consumers identify reliable, trustworthy businesses.

Question 32: What are your views on whether government should adopt a common quality assurance standard or framework across all energy efficiency and low carbon heat grant schemes?

Proposed action: Ensure appropriate aftercare and redress mechanism for government energy schemes

Participants also called for a clear system in place for escalating a complaint with an independent arbiter if complaints reached an impasse. Consumer protection law already places obligations on businesses to provide people with the key information they need to make informed decisions, to use fair sales practices and contract terms, to have an effective way of dealing with complaints and to carry out work with reasonable care and skill. Bodies that enforce consumer protection law ensuring businesses act appropriately and treat consumers fairly include national and local Trading Standards and the Competition and Markets Authority.

Standards bodies often require member businesses to provide consumers with financial protection in case the business stops trading and is unable to honour the terms of their workmanship guarantee. This can provide consumers with additional peace of mind and, in addition to the installer’s workmanship guarantee, the product manufacturer will typically provide a guarantee to repair or replace a faulty item for a certain period of years. To help ensure that consumers have the necessary confidence and trust that they are protected, it is vital that there are robust and consistently high standards of quality, customer care and business competency, and that these are effectively monitored and enforced across all supported schemes.

Consumer protection along customer journey



Question 33: Do you agree that government should take a common approach to consumer protection across all supported energy efficiency schemes?

10. Governance and Accountability

Understanding fuel poverty

There are three main factors in determining whether a household is fuel poor: household income; energy efficiency; and fuel prices. However, it is measured differently across the UK and in other parts of the world. Understanding fuel poverty also means recognising its impacts: cold homes can cause and worsen physical and mental health conditions⁴⁵. People in fuel poverty may also be more susceptible to damp, mould and poor air quality, while draughty, inefficient homes require more energy to heat.

Through our engagement there were widespread calls for better and more frequent data on fuel poverty. There was interest in improving our understanding of the impacts of fuel poverty and using data to design better policy and ensure that interventions reach those who need help the most. We propose improving monitoring and increasing accountability by introducing indicators on issues that stakeholders have told us are important to them. This could also help us to identify groups that are

not being supported by existing policies, enable us to be responsive to these needs and improve links between policies and fuel poverty outcomes. We will keep this new approach for understanding and reporting on fuel poverty under review.

Most of the data we currently use to measure fuel poverty comes from the NI House Condition Survey, which is carried out every 5 years. We propose using additional annual statistics for many of the new indicators. In addition, we can improve our use of the data and research published by other organisations to monitor energy affordability in situations where rapid changes may occur, as happened during the fossil fuel price rises in 2021-22.

Stakeholders suggested we improve our understanding of the impact of new home energy schemes. We currently collect data such as energy cost savings, SAP improvements and carbon emission reductions⁴⁶ and, to ensure linkages between our strategic indicators and new interventions, we will work across

⁴⁵ Poor housing conditions harm family wellbeing | ESRI

⁴⁶ <https://www.nihe.gov.uk/getattachment/b83a9174-6361-4bff-aac0-90c570c0e8c8/Affordable-Warmth-Boiler-Replacement-Scheme-Evaluation-2020-2022.pdf>

government to ensure that all new schemes collect pre- and post-intervention data that can contribute to the indicators above.

Reframing the issue

Fuel poverty is not a term that people usually apply to themselves. Recent Utility Regulator research⁴⁷ indicates that even those who are struggling most to stay warm do not describe themselves as ‘fuel poor’. Use of the term ‘poverty’ was felt by stakeholders to be unhelpful and could prevent people from accessing support designed for them. Government should use language that is person-centred and treats people with dignity.

‘The phrase fuel poverty puts people off’

Our vision could be better supported by focusing on how people’s wellbeing improves when they live in a warm, healthy home. This could be done by reframing fuel poverty towards a positive focus on “energy wellbeing”, and this may also reflect the proposed basket of indicators approach, which is set out below. However, changing language can cause confusion and have unintended consequences in designing and delivering policies.

We could consider introducing energy wellbeing or a similar phrase to emphasise the importance of households having access to essential and affordable energy to enable a decent standard of living and health. This positive viewpoint is based on language introduced in the Energy Strategy. Whether or not we introduce a new way of describing fuel poverty, we recognise that the language used when designing and delivering schemes must be clear, dignified and appropriate to those whom we support.

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

Building a picture of energy wellbeing

Indicators help us to understand the persistence of a problem, identify trends, make comparisons with other countries, identify the people affected by the problem and design and deliver policy. However, no single indicator can fulfil all these roles and such statistics do not necessarily tell us about the outcomes of being fuel poor. This becomes more important if we want to prioritise better health by focusing on those most likely to be adversely impacted by living in a cold, damp home.

⁴⁷ Utility Regulator launches new lived experience research on energy hardship | Utility Regulator ([uregni.gov.uk](https://www.uregni.gov.uk))

We propose introducing a basket of indicators to improve the understanding of fuel poverty and help us measure progress towards our outcomes. This will make better use of data already collected from a range of sources, provide a more person-centric understanding of fuel poverty and its impacts, and give us better information about how to design policy to help people move out of fuel poverty. We will also continue to make better use of relevant data and research carried out elsewhere.

Using a basket of indicators will enable us to monitor progress in a timelier manner. As this is a new approach, indicators may be staggered depending on how frequently different data sources are published.

Fuel Poverty 10% indicator

We currently use the 10% indicator for fuel poverty as set out in 2001: ⁴⁸

“a fuel poor household is one which needs to spend more than 10% of its income on all fuel use and to heat its home to an adequate standard of warmth. This is generally defined

as 21° C in the living room and 18° C in the other occupied rooms – the temperatures recommended by the World Health Organisation”

Consistent use of this indicator using robust data collection through the House Condition Survey (HCS)⁴⁹ helps us to identify trends and understand the persistence of fuel poverty over time. It identifies some characteristics of people affected such as age, income and employment status, as well as the types of home that they are likely to live in. As it is based on what a household would need to spend, ‘under consuming’ - turning off the heating - is not counted as not being in fuel poverty. We therefore propose retaining this as one of our indicators as this will support our understanding of the overall persistence of the problem in Northern Ireland.

10% indicator using an after-housing costs calculation

Stakeholders raised concerns that using ‘before housing costs’ income could hide vulnerabilities of those with high rent or mortgage payments, and that this particularly affected working families with

48 Fuel poverty strategy 2001.pdf (bristol.ac.uk)

49 House Condition Survey Main Report 2016 (nihe.gov.uk)

children and those living in the PRS. Our current methodology uses a ‘before housing costs’ calculation which means older people are much more likely to be classed as being in fuel poverty because they typically own their homes outright and are less likely to rent. We propose introducing an ‘after housing costs’ indicator which will use the same methodology as the current 10% indicator. This may provide an additional perspective on those who may be struggling to pay all their household bills. In future, it may also help us to link changes in housing policy with our energy support mechanisms.

| PROPOSAL | SOURCE |
|--|---------------------------|
| We will begin to capture information on fuel poverty levels using the 10% indicator for both before and after housing costs. | NI House Condition Survey |

Ability to pay utility bills without going without

We believe that we should build a better picture of people’s ability to pay their energy bills and to what extent this impacts their ability to pay for other necessities. Some parts of Europe use arrears on utility bills as an indicator for energy poverty but there are limitations with this approach in NI.

Neither oil nor pre-payment meter users have bills; rather, people delay getting a fill of oil or topping up their meter, or don’t turn on their heating.⁵⁰ Some people also prefer to borrow elsewhere to pay their energy bills rather than go into arrears with energy companies. We therefore propose using the Family Resource Survey (FRS) to understand the choices that people make in their own homes. This will also address some stakeholder concerns that the current definition of fuel poverty does not use disposable income in its methodology.

| INDICATOR | SOURCE |
|---|--------|
| Are you able to pay regular bills, including gas, electricity or oil, without cutting back on essentials? | FRS |

Household Expenditure on Energy

In 2024 Northern Ireland had the highest weekly expenditure on energy of any UK region. This is likely to be due to a combination of factors including energy mix; geographic and weather conditions; energy pricing; and lower household income levels. A major contributor is our dependence on fossil fuels.⁵¹ This indicator includes energy used for transport and was introduced

50 Utility Regulator launches new lived experience research on energy hardship | Utility Regulator (uregni.gov.uk)

51 Energy in Northern Ireland 2022 (economy-ni.gov.uk)

by the Energy Strategy to create a more holistic understanding of our energy needs as they become increasingly connected: for example, as electricity starts to power heating (heat pumps) and transport (electric vehicles). We believe that linking this Energy Strategy indicator with our fuel poverty strategy will help start to capture the impacts of policies on overall household energy spending.

| INDICATOR | SOURCE |
|--|---|
| Household energy expenditure relative to all expenditure | ONS Living Cost and Food Survey ⁵² |

Damp and mould

Cold homes exacerbate health inequalities⁵³ and can cause and worsen respiratory conditions, cardiovascular diseases, poor mental health, dementia and problems with childhood development. In Northern Ireland, respiratory illness is a leading cause of excess winter deaths.⁵⁴ People are aware of the negative impacts of mould

but are unable to keep their homes warm and healthy. When homes are made more energy efficient, they are less cold and damp and become cheaper to heat, which leads to ongoing savings to the Health and Social Care System⁵⁵. We propose using damp and mould as a secondary indicator for energy wellbeing, an approach taken in New Zealand⁵⁶. While the HCS captures this information through the Housing Health and Safety Rating System⁵⁷ we propose using data from the annual FRS, which for the first time in 2024 requests data from all households on the presence of damp.

| INDICATOR | SOURCE |
|-------------------------|--------|
| Is your home damp-free? | FRS |

Being able to keep homes adequately warm

Our 10% indicator defines a specific adequate standard of warmth, but stakeholders noted that people’s backgrounds and health can affect their

52 Household energy expenditure relative to all expenditure

53 Fuel Poverty and Human Health : A Review of Recent Evidence — Ulster University; The cost of poor housing in Northern Ireland 2016 (nihe.gov.uk)

54 Winter Mortality in Northern Ireland, 2022-23 (nisra.gov.uk)

55 The cost of poor housing in Northern Ireland 2016 (nihe.gov.uk)

56 Report on energy hardship measures | Ministry of Business, Innovation & Employment (mbie.govt.nz)

57 House Condition Survey Summary Report 2016 (nihe.gov.uk)

| PROPOSAL | SOURCE |
|---|--------|
| Compare the number of deaths that occur in December - March with the average number of non-winter deaths occurring in the preceding August- November and the following April - July | FRS |

| PROPOSAL | SOURCE |
|--|--------|
| Annual modelling of figures for both extreme and severe fuel poverty | HCS |

Severe and extreme fuel poverty

Stakeholders told us that we need a renewed focus on identifying those who are in deepest fuel poverty. Since 2011 we have used a severity index, whereby households which need to spend more than 15% of income on fuel use are in “severe fuel poverty”; and households which spend more than 20% of income are in “extreme fuel poverty”⁶³. In 2016, 2% of homes were in extreme fuel poverty, and 4% in severe fuel poverty. We propose modelling severe and extreme fuel poverty annually, which could enable a tiered approach of support for such households. However, breaking these figures down by tenure, age or income presents statistical challenges as the numbers are low. This may require further refinement in future.

The drivers of fuel poverty

Our 10% indicator is calculated using income, energy price and energy use and this can make it difficult to isolate the reason for changes in overall fuel poverty levels. The last House Condition Survey identified that the sharp drop in fuel poverty levels between 2011-2016 was due to:

- Gas price reductions of 26%-28%, electricity price decreases of between 4%-16% and reduction of heating oil prices by 0.01p/kWh
- A 16% increase in household income
- Government investment in domestic energy efficiency schemes leading to improvements to mean SAP figures from 59.63 to 65.84

Improved fuel poverty levels were therefore both a direct result of government policy - domestic energy efficiency schemes - as well as factors where government has little impact - fossil fuel prices - to which our

63 <https://www.communities-ni.gov.uk/sites/default/files/publications/dsd/warmer-healthier-homes.pdf>

definition is very sensitive.⁶⁴ Understanding changes in the underlying drivers will help assess where our policies are having an impact and this is recognised by NIHE who now model the impact of each driver on fuel poverty levels.⁶⁵ We intend to continue to provide this breakdown going forward.

| PROPOSAL | SOURCE |
|--|------------------------------|
| In our annual modelling we will continue to assess the impact of each driver on overall fuel poverty levels. | HCS and annual BRE modelling |

Low-income households in energy inefficient homes - NEW

We believe that, as the area of fuel poverty over which we have most influence, we should introduce an indicator focused on energy efficiency. This would enable us to track progress and provide a clear link between our strategy and new policies and schemes across government. The main tool used to measure energy efficiency is the Energy Performance Certificate (EPC).⁶⁶ There are challenges in using EPCs, for example, they do not consider dwelling size and some low-carbon interventions could potentially cause a drop in EPC ratings. The

House Condition Survey collects SAP ratings and this is the base for energy efficiency rating band data for all types of dwellings in NI. This can be cross-tabulated with fuel poor households and can be used as a new indicator. However, in future we want to improve the availability and frequency of energy efficiency data for homes and will explore how to do this.

| PROPOSAL | SOURCE |
|---|--------|
| NEW - Link SAP data with income deprivation | HCS |

Energy confidence and awareness - NEW

‘How do you know where to go for help with energy? I didn’t have a clue where to go.’

A frequent theme from stakeholders was a lack of energy confidence, agency and awareness. There was a reasonable understanding of where to access emergency financial help, but for grants or

64 Hills, John (2012) the measure of fuel poverty: Final Report of the Fuel Poverty Review.

65 Estimates of fuel poverty in Northern Ireland in 2020 and 2021 (nihe.gov.uk)

66 Energy rating of housing in Northern Ireland - up to March 2023 (nisra.gov.uk)

trusted advice on energy efficiency, there is low awareness of where to go, who to ask and what support is available. If people lack confidence in how to engage in long-term solutions, they will be more likely to focus on short-term options such as vouchers or incurring debt. We believe that agency and awareness must be core to our approach and that policies need to be designed and delivered to enable people to engage in the solutions to fuel poverty. This reflects the Energy Strategy commitment to ‘Place you at the centre of our energy future’. We propose introducing a new indicator to help provide a better understanding of how confident and aware people are of information and support for energy solutions in their home. The NIHCS social survey asks about ‘seeking energy advice in the last 12 months’, however this data is only collected every five years.

| INDICATOR | SOURCE |
|--|--------|
| NEW - People’s awareness and confidence in being able to address their own energy issues | TBC |

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

Question 36: Are the indicators suggested the correct ones? Please provide reasons for your answer

Question 37: If you agree with the introduction of an indicator based on energy confidence, agency or awareness, do you have suggestions about what kind of indicator might be most valuable?

Carbon emissions

Achieving the targets in our Climate Change Act requires action to significantly reduce carbon emissions. Residential sector emissions form part of our overall reporting on carbon reduction. This means that new home energy schemes and new housing standards will be required to assess and report on their contribution to carbon emission reductions. We therefore do not propose using carbon emissions as an indicator for fuel poverty. However, we will ensure that carbon savings from all home energy schemes is reported in a consistent manner across government in future.

Question 38: Do you agree with our proposal that carbon emissions are not used as a fuel poverty indicator? Please provide reasons for your answer

Transparency and Accountability

The societal and health impacts of cold homes require a renewed focus. We recognise that alleviating fuel poverty and improving people's energy wellbeing will be an iterative process. The data we propose to capture and analyse will help us monitor our progress towards achieving our outcomes and allow us to target our policies and interventions more effectively. As part of our commitment to alleviating fuel poverty, we must increase visibility of the issue, thereby improving accountability and demonstrating government's best endeavours. This work will be guided by a cross-Departmental working group.

Lived Experience

In developing this consultation document, engagement with people living in fuel poverty was invaluable in helping develop proposed policies and actions, providing evidence and urgency to act. It is our desire to keep the lived experience of fuel poverty at the centre of this strategy and we are committed to ongoing engagement with people experiencing fuel poverty while building their confidence and capacity to engage / participate.

Question 39: What is the best way to continue to engage with people experiencing fuel poverty?

Annual Reporting

We believe that data on fuel poverty needs to be more frequent, more timely and more accessible. To achieve this, we propose to produce an annual report outlining our progress in achieving the actions contained within this strategy, modelling of the data from the proposed indicators and data from new home energy schemes, sharing the lived experience and future actions that will continue to address fuel poverty and contribute to the achievement of our outcomes.

Given the cross-cutting nature of fuel poverty and importance of collaboration this report should be laid before the Assembly by the Minister for Communities and will form the basis of an annual Ministerial statement on fuel poverty.

Fuel Poverty Advisory Group

As recognised in the introduction, alleviating fuel poverty requires a whole of government approach. It also requires a multi-agency approach. This complex issue cannot be resolved by just one organisation and the support we received from across Government, the Voluntary and Community Sector and the public in developing this strategy is proof of that. It also demonstrates the commitment of our partners to strive for change and we want to maintain and build on the partnerships and commitment we have gained.

To ensure all the key stakeholders are fully engaged and aligned towards achieving the vision, guided by our principles, ongoing communication and engagement built on trusting, working relationships will be key. Time and effort will be required to build and develop these relationships to ensure a truly collaborative approach is taken to alleviating and tackling the root causes of fuel poverty.

To assist with this, we propose the establishment of a Fuel Poverty Advisory group with partners from statutory agencies and the Voluntary and Community Sector. This group will play an advisory role to guide, advise and challenge actions and progress over the lifetime of the Fuel Poverty Strategy. While membership of the group will be appointed by the Minister, with secretariat provided by the Department

for Communities, the Advisory Group will be independent and offer a critical friend function in the implementation of the strategy. This will include reviewing the annual report and providing an assessment of our progress, helping develop future policies and actions as required.

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

Question 41 – If you have any further comments or suggestions not already captured, please provide these.

11. Next Steps

How to respond

This consultation will be hosted online at the following website: **<https://consultations.nidirect.gov.uk/dfc/fuel-poverty-consultation>** The Citizen Space website has been specially designed to be as user-friendly and welcoming as possible for those who wish to complete the consultation. It also allows DfC to rapidly collate results. For this reason, we would encourage anyone who is interested in responding to this consultation to utilise Citizen Space as the method of their response.

If this is not possible, you can however respond to this consultation via email to **FuelPovertyStrategy@communities-ni.gov.uk** or you can respond in writing to the following address:

Fuel Poverty Strategy
Department for Communities
4th Floor, Causeway Exchange
1-7 Bedford Street
Belfast
BT2 7EG

When responding via email or in writing, please state whether you are responding as an individual, or representing the views of an organisation (please state the name of the organisation). Please also quote the following reference in your response: “Fuel Poverty Strategy Consultation”.

Responses must be received by 23.59 on Thursday 6 March 2025.

Annex A - Summary of Questions in Consultation

1. Do you agree with the proposed vision and guiding principles? If not, please suggest alternatives and why.
2. Do you agree with the timeframe and review period? If not, why not?

Make homes more energy efficient:

3. What would a readily understandable and measurable definition of “thermal comfort” look like?
 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?
 5. Should MEES also be applied to other tenures? Please give reasons for your answer.
 6. Do you agree that introducing updated fitness standards will contribute to making homes more energy efficient? Please provide reasons for your answer.
 7. Do you agree that all government domestic energy schemes should take account of the Fuel Poverty Strategy principles?
 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.
 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.
 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.
 11. Do you agree that the new scheme should continue with the Whole House retrofit approach? Please give reasons for your answer.
-

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.
13. Do you agree that the new scheme should prioritise low carbon heating solutions where possible?
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.
15. Do you agree that rural properties should be prioritised for energy efficiency support? Please give reasons for your answer.
16. Do you agree with a sliding scale approach to funding for home energy schemes? Please provide reasons for your answer.
17. Do you agree that loans are the fairest financing option for landlords who are required to improve their assets? If not, what would you suggest as alternative funding options?
18. Do you agree that we should consider increasing levies from electricity bills to fund energy efficiency schemes for low-income households? Please give reasons for your answer.
19. Should we explore introducing levies on gas to increase funding for such energy efficiency measures? Please provide reasons for your answer.
20. What are your thoughts on exploring any revenue-raising opportunities for energy efficiency schemes from unregulated heating sources such as home heating oil?

Collaborate and build capacity

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?
 22. Do you agree with a taskforce/working group to develop enabling frameworks for Energy Communities?
 23. Do you agree that government should assess the most relevant recommendations of the NICE6 guidelines and consider their implementation? Please provide reasons for your answer.
-

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?
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?
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?

Protect consumers

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?
 28. Do you have suggestions for how we could improve understanding and awareness of existing tools to enable consumers to manage their energy costs?
 29. How can we support vulnerable people to ensure they are on the most affordable tariff?
 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.
 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?
 32. What are your views on whether government should adopt a common quality assurance standard or framework across all energy efficiency and low carbon heat grant schemes?
 33. Do you agree that government should take a common approach to consumer protection across all supported energy efficiency schemes? Please provide reasons for your answer.
-

Governance and Accountability

34. Do you have suggestions about how government could change our use of language to improve buy-in and engagement on fuel poverty?
35. Do you agree that government should take a basket of indicators approach to measuring and understanding fuel poverty?
36. Are the indicators suggested the correct ones? Please provide reasons for your answer.
37. If you agree with the introduction of an indicator based on energy confidence, agency or awareness, do you have suggestions about what kind of indicator might be most valuable?
38. Do you agree with our proposal that carbon emissions are not used as a fuel poverty indicator? Please provide reasons for your answer.
39. What is the best way to continue to engage with people experiencing fuel poverty?
40. Do you agree with the proposal for a Fuel Poverty Advisory Group, if not, can you suggest an alternative proposal?
41. If you have any further comments or suggestions not already captured, please provide these in the box below.

Annex B - Consumer Protection/ Redress

Low carbon home heating and insulation products are increasingly important in the context of the rising cost-of-living and meeting statutory climate change obligations. These products will help people heat their homes in environmentally sustainable and more energy efficient ways.

However, without consumer confidence, there is a risk people are put off from either buying or installing these products and progress toward Net Zero is slowed. Consumer engagement is also needed to drive effective competition between businesses, to spur greater innovation and better consumer outcomes.

Across the UK and Ireland, government has introduced policies to encourage uptake, including support with the cost of energy efficiency measures via grant and funding schemes. Therefore, it is critical that people can trust businesses to treat them fairly and are protected from harmful practices. Businesses also need to comply with their legal obligations, which will help drive consumer trust and confidence.

Consumer experience

Making people's experience of buying/ installing energy efficiency products as simple and straightforward as possible, is crucial for developing consumer confidence, supporting uptake of measures and further development of the sector. People must be able to make informed decisions about which products are right for their circumstances, their property and have easy access to clear, impartial, appropriate, and usable information and advice at key stages.

Therefore, the onus is on government to provide greater centralised information and advice services for consumers, to ensure they can fully engage in the energy transition.

Consumer protection

Consumer protection law places obligations on businesses to provide people with the key information they need to make informed decisions, to use fair sales practices and contract terms, to have an effective way of dealing with complaints and to carry out work with reasonable care and skill.

Overall, there are a number of bodies that enforce consumer protection law to ensure businesses act appropriately and treat consumers fairly. This includes national and local Trading Standards, energy sector regulators (i.e. the Utility Regulator for Northern Ireland) and the Competition and Markets Authority.

Across government the need to ensure consumer protection is recognised within this growing sector. For example, the Energy Strategy for Northern Ireland also includes the need to review existing consumer protection frameworks within its key policies. The Utility Regulator has set a key objective to ‘provide the highest level of consumer service and protection’ within its corporate strategy 2024-2029.

During our stakeholder engagement fears that installers may not be fully competent in installing new technology products and the need for installer certification and/or trusted supplier lists were raised. Participants also explained they would like a clear system for escalating a complaint with an independent arbiter in place if complaints reached an impasse.

Standards landscape

Standards bodies play an important role in the low carbon heat and insulation sector, by helping consumers identify reliable,

trustworthy businesses. Using a business that is a member of a standards body should mean that consumers can be confident the business is qualified to do the work to a high standard, will treat them fairly and provide protection if anything goes wrong.

However, the current standards landscape is complex and confusing, with low consumer awareness of the benefits.

The landscape can be divided into three categories:

- Quality Standards – Such as the Microgeneration Certification Scheme (MCS) for low carbon heating products and the British Standards Institution (BSI) for the installation of insulation products.
- Certification bodies that assess businesses’ conformity with quality standards and are accredited by the UK Accreditation Service (UKAS) to carry out this function.
- Consumer Protection standards such as the Renewable Energy Consumer Code (RECC) and the Home Insulation and Energy Systems Quality Assured Contractors Scheme (HIES) which set rules for member businesses selling low carbon heating products about how to engage with consumers and aim to strengthen consumer protection.

Quality Mark

The use of a government backed quality mark that represents a guarantee of adherence to standards provides consumers with a unified, equal, and consistent approach across different products and services at all stages of the consumer journey.

TrustMark is the quality mark established by the UK government and endorsed within the PAS 2035 retrofit framework. It is designed to ensure that professionals in the industry adhere to high standards of workmanship, technical ability, and customer protection. TrustMark also licences other standards bodies in the sector (including certification bodies and consumer codes) to deliver its scheme and to certify that businesses meet its requirements.

Additionally, the BSI publishes PAS 2035/2030 standards for retrofitting dwellings for improved energy efficiency through the use of insulation and other energy efficiency measures. Installers must be certified to the appropriate PAS 2030 standard to take part in UK government-funded energy efficiency schemes in England.

In the insulation sector the Cavity Insulation Guarantee Agency (CIGA) provides independent 25 year guarantees for Cavity Wall Insulation fitted by registered installers in the UK and Channel Islands.

Redress

A key component of consumer protection relates to complaints resolution and redress for when things go wrong. This is particularly relevant where new technologies may require high quality installation and specifications which will demand suitably robust regulation.

Standards bodies often require member businesses to provide consumers with financial protection in case the business stops trading and is unable to honour the terms of their workmanship guarantee. This can provide consumers with additional peace of mind and in addition to the installer's workmanship guarantee, the product manufacturer will typically provide a guarantee to repair or replace a faulty item for a certain period of years.

To help ensure that consumers have the necessary confidence and trust that they are protected, it is vital that there are robust and consistently high standards of quality, customer care and business competency, and that these are effectively monitored and enforced across all supported schemes. This will be particularly important given that most installers in the sector are small businesses.

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