COPNI Commissioner for **Older People** for Northern Ireland

Home Energy Branch,
Department for Communities (DfC),
Level 4,
Causeway Exchange,
1-7 Bedford Street,
Belfast, BT2 7EG

By email to: heb@communities-ni.gov.uk

To whom it may concern

RE: Consultation on the Warm Healthy Homes Fund

I am writing to you regarding the Consultation on the Warm Healthy Homes Fund.

In the present context of increased fuel prices and the cost of living crisis, it is imperative that individuals who do not have the means to address fuel poverty in their own homes receive the necessary support. For this reason, this office is pleased that the Department is taking steps to tackle fuel poverty in Northern Ireland.

Fuel poverty is a very relevant issue for older people, for two main reasons. First, the likelihood of experiencing fuel poverty increases with age: according to the House Condition Survey (HCS), nearly four in ten households (37.7%) where the Household Reference Person (HRP) is over the age of 75 experience fuel poverty.[1] The HCS found that older households have a fuel poverty rate twice as high (33.9%) as that of adult households (16.6%) and households with children (15.1%).[2]

Second, older people are more likely to experience ill health and disability,[3] which can increase their vulnerability to poor housing conditions like cold and damp homes. According to the HCS, the homes of older people are in worse material condition, as reflected in higher levels of disrepair, higher repair costs and poorer energy efficiency. Older households, for instance, tend to have lower levels of wall insulation than younger households—one in four households older than 75 have no wall insulation.[4] A higher proportion of older households also experience home unfitness compared to adult households and households with children,[5] and the average cost

[1] Northern Ireland Housing Executive, Northern Ireland House Condition Survey 2016.
[2] Ibid.
[3] NISRA 2021 Census, Health Problem or Disability (Long-term) by Age - 8 Categories.
[4] The percentage of households between 17 and 59 years of age with no wall insulation range between 16.6% and 17.5%, whereas this number increases sharply after the age of 60—approximately 20% of households aged between 60 and 74 had no wall insulation, and this percentage grows to about a quarter of all households older than 75 (26%). Source: Northern Ireland Housing Executive, Northern Ireland House Condition Survey 2016; Table 7.10: Household Characteristics – Wall insulation.
[5] Source: Northern Ireland Housing Executive, Northern Ireland House Condition Survey 2016; Table 5.6: Household Type - Unfitness.

of repairs—basic and urgent—that older households require is significantly higher than adult households and households with children.[6]

Therefore, older people are more likely to experience fuel poverty, and also more likely to experience health issues and disability, which makes them more prone to be negatively affected by fuel poverty. The combination of these two factors clearly suggests that older people deserve to be protected against fuel poverty as a matter of priority.

For these reasons, the Warm Healthy Homes Fund is particularly important for this office, and COPNI is pleased to see that the Fund appears to have been developed thoroughly by the Department. This office welcomes the proposed increase in the eligibility threshold compared with the Affordable Warmth Scheme and we are generally supportive of the majority of the proposals contained in the consultation. This response focuses on a small number of areas where we believe attention is required.

1. Access to the Fund and communication

The consultation provides considerable detail on eligibility, but less detail on how eligible households will be identified, informed and supported to apply. This is particularly important for older people. An application process that relies on individuals proactively seeking support risks excluding some of those who may need it most, particularly considering higher levels of digital exclusion amongst older adults.

We welcome the provision of non-digital routes to access the Fund, such as the ability to apply by telephone. However, consideration should also be given to proactive mechanisms for identifying and informing eligible households. The approach taken during the Pension Credit campaign after the Winter Fuel Payment was cancelled by the UK Government serves as a good example of a successful uptake campaign.

2. Income, savings and vulnerability

COPNI appreciates that vulnerability is complex and cannot be easily captured through thresholds relating to income, savings, property ownership or other individual financial circumstances. Nevertheless, some aspects of financial vulnerability in later life require consideration.

The existence of savings does not necessarily mean that an older person is less vulnerable. For some people, particularly those who do not own any property or have limited access to pension income, savings accumulated over a lifetime may represent their main financial safety net during retirement. Such is the case, for instance, of Lifetime Individual Savings Accounts (LISAs), which are intended to provide financial safety after retirement.

[6] Source: Northern Ireland Housing Executive, Northern Ireland House Condition Survey 2016; Table 5.19: Household Characteristics – Repair Costs.

Older people living in the private rented sector, or repaying their mortgages, may have a significant level of savings specifically intended to support them throughout retirement. Their financial position may in practice be more precarious than that of another individual with a lower level of income or savings, but who owns their home or owns additional property.

Savings may therefore provide some indication of the resources available to an individual at a particular point in time, but they should not by themselves be treated as a measure of vulnerability—or lack of it. For some people with no property and limited pension income, savings are the resource protecting them against vulnerability. Excluding these individuals from the Fund because they have accumulated a modest financial safety net risks penalising the retirement planning of vulnerable people. In fact, for those without access to more generous pensions or property, higher levels of savings are a necessary safety net.

The Department should therefore consider whether higher savings thresholds in later life, particularly for people who do not own any property, may be appropriate to account for the particular financial circumstances associated with this stage of life.

3. Prioritisation of applications

COPNI is supportive of proposals raised by stakeholders to prioritise households according to vulnerability rather than relying primarily on the energy efficiency rating of the property. In particular, we believe that consideration should be given to prioritising people with health conditions that are exacerbated by cold and damp living conditions, alongside households experiencing age-related vulnerability, including households containing people aged 65 and over.

Prioritising all households with an energy efficiency rating of E or below risks creating a broad priority category which could ultimately operate on a first come, first served basis. Homes with the energy efficiency rating of E or below can differ considerably in their actual condition. Treating such different circumstances as presenting the same level of need would not necessarily address the greatest vulnerability.

We therefore believe that health conditions and age-related vulnerability should be considered by the Department as a prioritisation method, alongside the condition and energy efficiency of the property.

4. The private rented sector

Consideration should also be given to the operation of the Fund in the private rented sector. Under the Department’s proposal, a vulnerable private tenant may qualify for substantial improvements to their home through the Fund. Once those works have been completed, however, there is currently no legal mechanism to prevent the landlord from increasing the rent or ending the tenancy (aside from the corresponding Notice to Quit period), leaving the tenant without any long-term benefit from the Fund investment.

COPNI believes that Minimum Energy Efficiency Standards (MEES) are urgently needed in the private rented sector so that landlords are responsible for ensuring that properties meet an acceptable standard of energy efficiency before they are rented. However, within the context of the present Fund and while MEES are not in place, we believe that where a landlord's property benefits from publicly funded improvements on the basis of their tenant's eligibility—and where the landlord gives permission for the improvements to proceed—some corresponding responsibility towards that tenant should follow.

We recognise that imposing strict conditions may deter some landlords from participating in the scheme. However, appropriate protections are required to avoid situations in which public funding substantially improves a privately owned property only for the eligible tenant to face an immediate rent increase or eviction.

Conclusion

COPNI is supportive of the majority of the proposals contained in the Department's consultation. Our response has concentrated on the areas where we believe additional consideration could strengthen the Fund and improve its ability to reach and protect vulnerable older people.

We are pleased with the work undertaken by the Department, and we hope that these comments will assist in developing the most effective possible model for older people.

Kind regards,

Ángel Leira Pernas
Policy Advice and Research Unit
Commissioner for Older People for Northern Ireland