COPNI Commissioner for Older People for Northern Ireland

Fuel Poverty Branch, Climate Change Division Department for Communities Via email to: <u>fuelpovertystrategy@communities-ni.gov.uk</u>

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Re: Fuel Poverty Strategy Workshop Feedback.

Following participation by staff of the Commissioner for Older People for Northern Ireland (COPNI) in the Fuel Poverty Strategy workshops, COPNI commends the efforts of department officials in engaging stakeholders and service users in the development of this new strategy. The Commissioner values the open communication and transparency that was evidenced by the department throughout these workshops.

Among the positive aspects of the workshops, COPNI wants to highlight the engaging and welcoming atmosphere generated by department officials; the genuine interest shown in the opinions and expertise of attendees; the excellent use of technology that made sessions dynamic; the knowledge demonstrated by department officials in the discussion tables and their careful consideration of the attendees' expertise in different areas; the capacity demonstrated by department officials to incorporate elements arising from discussions into their own definitions and designs; the selection of topics; and the quality of the presentations.

To contribute to improving the drafting of the strategy, COPNI offers several points for consideration below.

FUEL POVERTY AND AN AGEING POPULATION

According to the House Conditions Surveys, which is the most reliable source of information on fuel poverty in Northern Ireland, fuel poverty is a structural issue that affects, disproportionately, older people. Households older than 60 are twice as likely to be in

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fuel poverty than households younger than 60,¹ and the likelihood of experiencing fuel poverty increases with age.² The work done through the current fuel poverty strategy within the past decade has not contributed to reduce the fuel poverty age gap.³

This is, understandably, a matter of concern for the Commissioner for Older People for Northern Ireland. But it also highlights the difficulties that Northern Ireland will face in the near future as the age profile of the population changes as a consequence of demographic ageing. The proportion of older people living in Northern Ireland will grow substantially over the next fifteen years, at a pace never experienced in this jurisdiction.⁴

As older households are twice as likely to experience fuel poverty, it seems clear that fuel poverty will be a growing problem in an ageing society. Over one third of households of 75+ experience fuel poverty,⁵ and the data shows that the income of pensioners in Northern Ireland has decreased in real terms in the past few years.⁶ Therefore, a new fuel poverty strategy seems more necessary than ever to address this urgent situation. Such strategy should require a clear plan of action that begins (at least) with a medium-term financial forecast of the costs of implementing the policies outlined in it. Disappointingly, discussions on such plans and budgets were absent from the workshops.

¹ Department for Communities, <u>House Condition Survey 2016: Main Data Tables (Excel Format)</u>.

² The House Condition Survey 2016 shows that the likelihood of living in fuel poverty increases with ag. 37.7 of households where the age of the household reference person is 75+ were in fuel poverty in 2016, compared to 25.2 of those aged 60-74, 16.7 of those aged 40-59, and 13.3 of those aged 25-39. The House Condition Survey waves of 2011 and 2004 showed similar results. See Department for Communities, <u>House Condition Survey 2016</u>: <u>Main Data Tables (Excel Format)</u>; Department for Communities, <u>House Condition Survey 2011</u>: <u>Statistical Annex</u>; Department for Communities, House Condition Survey 2004: Statistical Annex.

³ See Department for Communities, <u>House Condition Survey 2016: Main Data Tables (Excel Format)</u>; Department for Communities, <u>House Condition Survey 2011: Statistical Annex</u>; Department for Communities, <u>House Condition Survey 2004: Statistical Annex</u>.

⁴ While in the period 2000-2022, the proportion of population aged 65 and over grew from 13.1% to 17.6%, this percentage will grow rapidly to 20.7% in 2030 and 24% in 2040. The total number of population aged 65 and over will grow from 335,449 individuals in 2022 to 499,337 individuals in 2050. Calculations based on <u>NISRA 2022 Mid-Year population estimates</u> and <u>NISRA 2020-based interim population projections for Northern Ireland</u>.

⁵ See Department for Communities, <u>House Condition Survey 2016: Main Data Tables (Excel Format)</u>

⁶ Pensioners' income in Northern Ireland has only increased by 1.9% between 2017 and 2022 in the context of the highest inflation rates in three decades. Calculation based on data from the <u>Family Resources Survey (FRS) for</u> <u>Northern Ireland 2021-2022</u>, Table 7.3: "Real income of pensioners, 2011/12 - 2021/22"; Worlddata (n.d) <u>Inflation</u> rates in the United Kingdom [Accessed 30th May, 2024].

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LIMITATIONS: GOALS WITHOUT A PLAN.

In this regard, there were important limitations to the usefulness of the workshops, and this is likely to be reflected in the final drafting of the strategy. These limitations present serious challenges to the potential of the strategy to make a real impact in people's lives. Indeed, these limitations were accepted and acknowledged by department officials. The workshops illustrated that the key challenge relates to funding uncertainty and planning without a budget.

This issue affected the quality of the information provided to stakeholders during the sessions. The workshops provided neither a financial analysis of the old strategy, nor a financial forecast for the new strategy. Attendees often pointed out the difficulties of making suggestions without having information about funding, and this concern was understood and shared by department officials, who communicated the difficulties they faced when working with short-term budgets.

Consequently, attendees were asked pertinent but impractical questions in the workshops. These questions allowed for very ambitious statements of principles, most of which showed little connection with reality.⁷ For instance, attendees were asked questions such as *"who should be offered relief or exemption (pensioners, those receiving benefits, etc.)?", "what should be the household income threshold for relief?", or <i>"should emergency payments be prioritised over home improvements, or vice versa?"*. Lacking any financial analysis and funding information, attendees understandably opted for the highest principles (e.g. every individual who receive any benefit should be offered relief; the household income threshold to receive support should be generous; and emergency support should be combined with appropriate work to improve the energy efficiency of homes for as many people as possible). The lack of financial analysis and funding information contributed to futile discussions on high principles, with limited connection to how the strategy could (or should) work in practice.

⁷ In fact, department officials in the discussion tables hinted that the most likely possibility is that department will have to operate under a restricted budget in the new strategy, as compared to the budgets used over the past thirteen years under the old strategy.

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Worryingly, this financial uncertainty and lack of planning is likely to be reflected in the final drafting of the strategy. Moreover, many of the commitments made in the strategy will never be met if sufficient funding is not provided.

CONCLUSION

COPNI commends the department officials for their hard work in trying to navigate the difficulties of funding uncertainty. In their work with the new strategy, officials have demonstrated willingness to listen to the voices of stakeholders and members of the public. Nevertheless, COPNI must point out a key structural issue—an absence of budgetary detail—which seems to render any meaningful commitment and proper planning impossible.

Fuel poverty will be exacerbated by demographic ageing. Facing the challenges of a growing number of individuals in fuel poverty will only be possible through proper planning and the implementation of a strategy in which resources are clearly allocated to cover different needs and achieve distinct goals (emergency and support relief, home improvements, energy efficiency, etc.). In contrast, the strategy discussed in the workshops was not a strategy but a statement of principles that is subject to the volatility of funding. In the context of demographic ageing and the growth in the older population—those most affected by fuel poverty—this does not seem sustainable.

The Commissioner would welcome further discussion and collaboration on this issue.

Yours faithfully,

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

angel.leirapernas@copni.org