

## **Response to Warm Homes consultation Department for Social Development**

December 2008

Belfast Healthy Cities welcomes the opportunity to comment on the above consultation.

Belfast Healthy Cities works to shape and influence healthy public policy. We are a partnership of key public, voluntary and academic sector agencies and have 20 years' experience of introducing new concepts and ways of working to improve health and wellbeing for people in Belfast and beyond. Belfast is also a leading member of the WHO European Healthy Cities Network, which has over 80 member cities across Europe. We understand health in a broad sense as overall wellbeing.

The Healthy Cities approach focuses on the social determinants of health, or the broad social conditions that have a major impact on health outcomes, including housing, poverty and employment. A particular emphasis is put on tackling inequalities in health arising from differences in social conditions. The second key strand of the Healthy Cities approach is intersectoral collaboration. Belfast Healthy Cities has successfully facilitated intersectoral models over the last 20 years.

We welcome the review of the Warm Homes scheme, following the Northern Ireland Audit Office (NIAO) report published in June. We believe this is an important and timely opportunity to ensure that the scheme's potential to tackle fuel poverty is maximized, particularly in the current context of high energy prices and a general economic downturn.

Tackling fuel poverty is a vital element of improving health and wellbeing. Living in a cold, and therefore often also damp, home has direct negative health impacts, such as increasing the risk of respiratory disease especially in children and older people. Cold can also increase the risk of complications in cardiovascular disease, and older people are at particular risk. Indeed, a proportion of excess winter deaths can be linked to cold for these reasons.

However, there are also indirect health impacts. We are pleased to note that the consultation document refers to the recent research on the impacts of fuel poverty on children, which highlights for instance the impact on educational achievement that is a major determinant of lifetime health and wider opportunities. Another health impact is the stress caused by struggling to pay for heating, and the consequent worry about potential impacts. Emerging research indicates that such stress can directly lead to physical ill health by sparking an inflammation reaction in the body, and also contribute to lifestyle choices harmful to health. For example, smoking can become a coping mechanism in the context

of chronic stress and worry. It has also been shown that relief from fuel poverty improves mental health, which is likely related to relief from this stress.

### **Targeting assistance at those in greatest need**

Belfast Healthy Cities support the aim to focus assistance to those most in need, which in our view can be identified as those on low incomes and living in energy inefficient properties. This would have the largest impact in terms of reducing inequalities, and also improving energy efficiency.

We believe that targeting can be most effectively done by incorporating both income and energy efficiency in the eligibility criteria. At minimum, this should apply to the Warm Homes Plus scheme, to ensure that its impact on equity, energy efficiency and fuel poverty, as well as value for money, is maximized. We also agree with NIAO that evidence of efficiency before and after treatment is essential to measure impact of the scheme in a robust and reliable way. We note that not only the NIAO report but also similar reviews of Warm Front in England, the Welsh Home Energy Efficiency Scheme and the Central Heating Programme/Warm Deal in Scotland, have concluded that the current eligibility criteria, which focus on benefits as a key proxy of income, do not target assistance effectively.

We are concerned that the consultation document does not include a proposal to introduce an energy efficiency criterion, or measure impact in terms of improved energy efficiency. We would therefore urge DSD to firstly clarify proposals in this regard and if required, reconsider the position. We note that this has been a key recommendation of the NIAO report as well as the other equivalent reviews. Indeed, the new Energy Assistance Package announced last month in Scotland, in response to the recent review, includes an energy efficiency criterion for heating measures.

### **Opening up Warm Homes Plus and the need for prioritization**

In the context of need as the key eligibility criterion, Belfast Healthy Cities believes it is **in principle** appropriate to open Warm Homes Plus to groups other than over 60s, including adults with/without children. The recent research by Professor Liddell on the impacts of fuel poverty on children provides important evidence to support this, while data from the NI House Condition survey show that lone parent and lone adult households are, overall, most likely to live in private rented accommodation, which is most likely to be energy inefficient.

However, the NI House Condition Survey also shows that older households – especially lone older households and those where the head is aged 75 or over – are most likely to be fuel poor – 62% of households with a head aged 60 or over are fuel poor, and these households constitute around half of all fuel poor households. They are also most likely to live in properties vulnerable to fuel

poverty, including those with no central heating, Economy 7 or solid fuel, and properties with a SAP rating of 40 or less. Older people are, moreover, particularly vulnerable to harm from being in fuel poverty, due to their greater physical frailty and also the fact that they spend more time at home than younger people. The same applies in large part to people with disabilities, who often are unable to work and therefore also at high risk of low income.

In light of these figures and the limited resources available to fund Warm Homes, Belfast Healthy Cities believes that in addition to income and energy efficiency criteria, it would be useful to introduce an order of priority, which may amount to new eligibility criteria for example for Warm Homes Plus. Priority access to the full scheme should be given to those most vulnerable to harm, which would ensure the greatest overall benefits by reducing ill mental and physical health, educational underachievement and so on. In our view, older people should continue to be a priority group, while households with children – in particular lone parent households – should become a new priority group. We note that the new Scottish Energy Assistance Package prioritises older households and families on low incomes, living in energy inefficient housing. A similar setup would also better link the scheme to the Fuel Poverty Strategy, which is important as Warm Homes is the key delivery mechanism of the strategy.

People with disabilities should also be a priority group, for the reasons cited above. However, we note the NIAO report holds that disability benefits are not a good indicator of low income, and note also that the consultation proposes to restrict access to the scheme to people with disabilities entitled to means tested benefits. We have some concern about this, especially as people with disabilities often have higher living costs than able bodied persons. Instead, we would suggest considering an income limit (as currently used for example in Warm Front), based on an assessment of income levels at which people are likely to be in fuel poverty, as well as severe or extreme fuel poverty.

An income limit might also be more helpful than entitling all persons in receipt of Working Tax Credit. We note the National Audit Office (NAO) review of Warm Front in 2003 found that Working Tax Credit was not a good predictor of fuel poverty at that time, as many people on the upper limits were not fuel poor (although it is noted fuel prices are higher in Northern Ireland and have risen dramatically since 2003). Finally, the income limit might be helpful for pensioners near benefits, some of whom might have less access to support compared to pensioners entitled to benefits, due to the passport benefit system. The limits could be reviewed regularly, to take account of changes in fuel prices and incomes. Furthermore, the limits could be used to target assistance at those in severe or extreme fuel poverty, who could be an additional priority group, regardless of household type.

## **The use of benefits as income proxy**

We appreciate the pragmatic reasons behind using benefit entitlement as a proxy for low income. In most cases this is appropriate, but as noted for example in the NIAO report, non-take up is an issue, especially among pensioners. Therefore, we are very pleased to see the proposal to introduce a Benefit Health Check for all applicants. It would be important that Social Services Agency also improved its offer and marketing of such checks to improve benefit take up among those entitled.

We have already commented on issues in relation to including Working Tax Credit among 'passport benefits', and disability benefits.

## **Support for removing repairs from offered measures**

It appears there is evidence to suggest the energy efficiency impact of draught proofing and fluorescent light bulbs, particularly as isolated measures, is limited. We note that the recent Scottish review also found that repairs and upgrades to existing heating systems had a limited impact on fuel poverty or energy efficiency, while the review concluded their availability may mean that people in greater need wait longer. We therefore agree that in particular upgrades and repairs should no longer be offered. However, in particular draughtproofing can help maximize the impact of insulation and heating measures and should potentially be considered as part of a wider package. It is also essential that people are signposted to other sources of assistance for example with emergency repairs to their heating systems.

## **One or two tier scheme**

With regard to maintaining the division of the scheme into Warm Homes and Warm Homes Plus, we believe that this depends on whether specific eligibility criteria will apply for the heating element or not. If so, maintaining the division may be helpful, especially to help potential clients understand the difference and simplify marketing. If, however, the full scheme will be open to most applicants, the division appears unnecessary.

## **Hard to treat properties**

Belfast Healthy Cities support the proposal to introduce flexible grant limits to deal with 'hard to treat' properties, and a special focus on these properties. We believe this is important to achieve the ideal solution for all properties, and also to make the programme better suited to tackling fuel poverty, especially in rural areas where hard to treat properties are most common. We note the NIAO report states fuel poverty and energy inefficiency is concentrated in rural areas. However, it is important to maintain a focus on households in greatest need.

## **Inclusion of renewable technologies and role in tackling climate change**

Similarly, we support the proposal to include renewable technologies in the heating systems on offer, and would suggest that to the extent possible, renewable technologies are offered to all households. This is likely to improve opportunities to achieve the best possible solution. More importantly, however, this will contribute to reducing reliance on fossil fuels and thus mitigating climate change as well as improving energy security.

Indeed, we believe would be important that Warm Homes, as an energy efficiency programme, explicitly consider its synergies with and contribution to tackling climate change. UK wide as well as internationally, improved energy efficiency has been billed as one of the crucial routes to reducing carbon emissions. The Scottish review of the Central Heating Programme and Warm Deal considered the fit of the programmes with policy on climate change objectives, as well as policy on tackling poverty and disadvantage. Meanwhile, the Warmer Homes scheme in the Republic of Ireland is explicitly linked to and marketed as a way of tackling climate change. We believe that if conceived as a programme contributing to a range of policies, Warm Homes can become more strategic, proactive and also better placed to secure resources.

Finally, we note that the new Scottish Energy Assistance Package integrates government funded assistance and funding from energy companies for tackling climate change, fuel poverty and improving energy efficiency. We would urge DSD to consider a similar model in Northern Ireland. Its key advantages appear to be that it reduces duplicity, both in terms of initiatives and administration, and also confusion among potential clients. Therefore, a joint model could further improve the efficiency and strategic impact of the programme and free up resources for practical delivery.