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Fuel Poverty Strategy for Low income Housing

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Overview



- Outline Profile of Fuel Poverty
- Relevant policies & strategies
- SEI role & focus
- SEI Warmer Homes Scheme
- Challenges & opportunities

Fuel poverty in Ireland: Outline profile

Data sources



- Census of Population 2002, CSO
- A Review of Fuel Poverty & Low Income Housing, 2003, Fitzpatrick Associates for SEI
- Household Budget Survey 1999-2000: Preliminary Results, CSO
- Irish National Survey of Housing Quality 2001-2002, ESRI for DEHLG

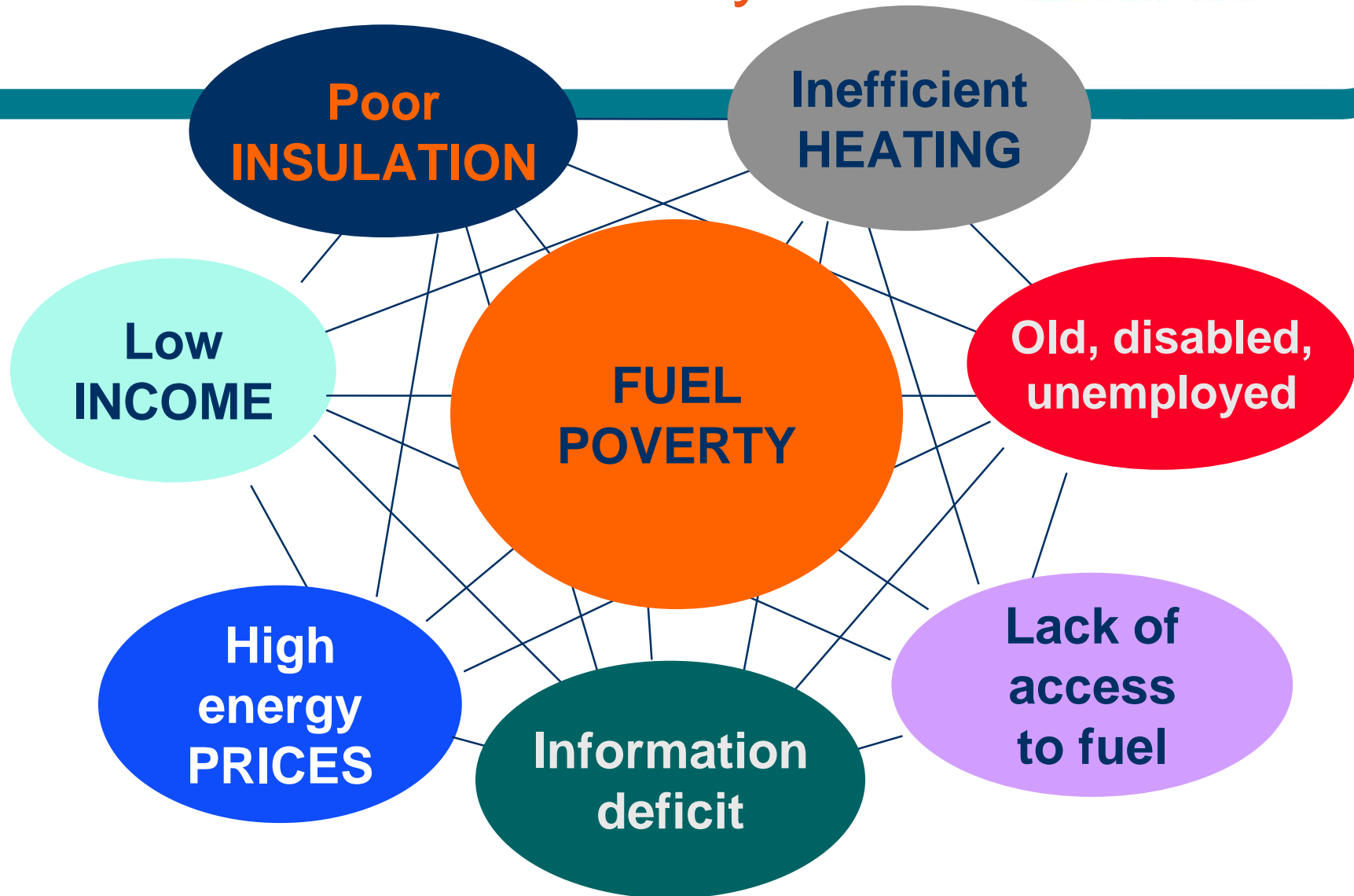
“Fuel poverty”

- “The inability to heat one’s home to an adequate (i.e. safe and comfortable) level owing to low household income and poor, energy inefficient housing”
- The need to spend >10% of household income on fuel to achieve an acceptable level of comfort and amenity



- Up to 62,000 homes (5%) in persistent fuel poverty [2001]
- Up to a further 165,000 homes (12%) in intermittent fuel poverty [2001]
- 19.1% BMW
- 80,000 rural fuel poor homes
- Not unique to any one segment of the housing market

Factors in Fuel Poverty

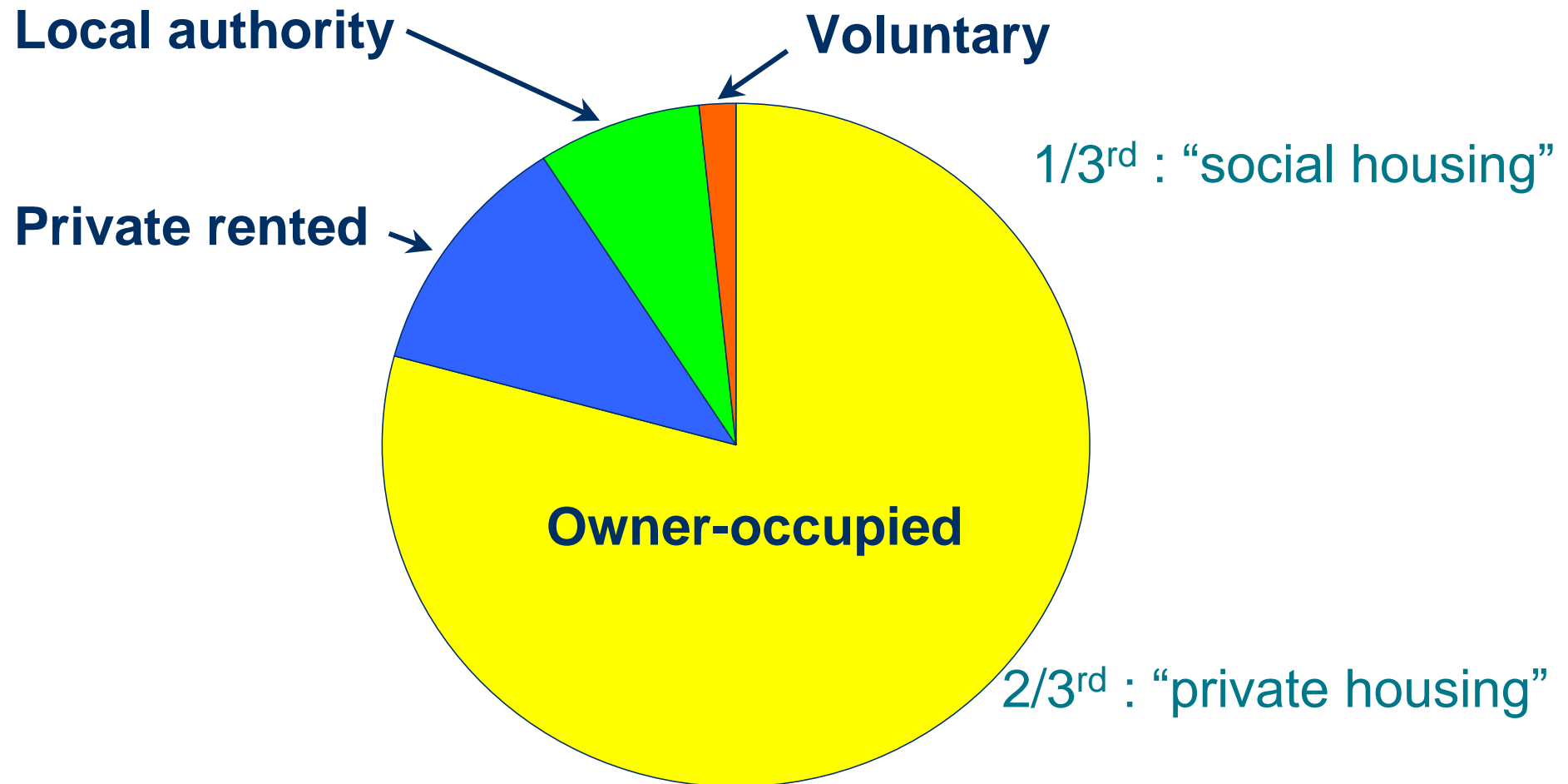


Dimensions to fuel poverty



- Household income
- Household priorities
- **Fuel price**
- **Energy efficiency**

“Market location of fuel poverty”



Indicators of vulnerability



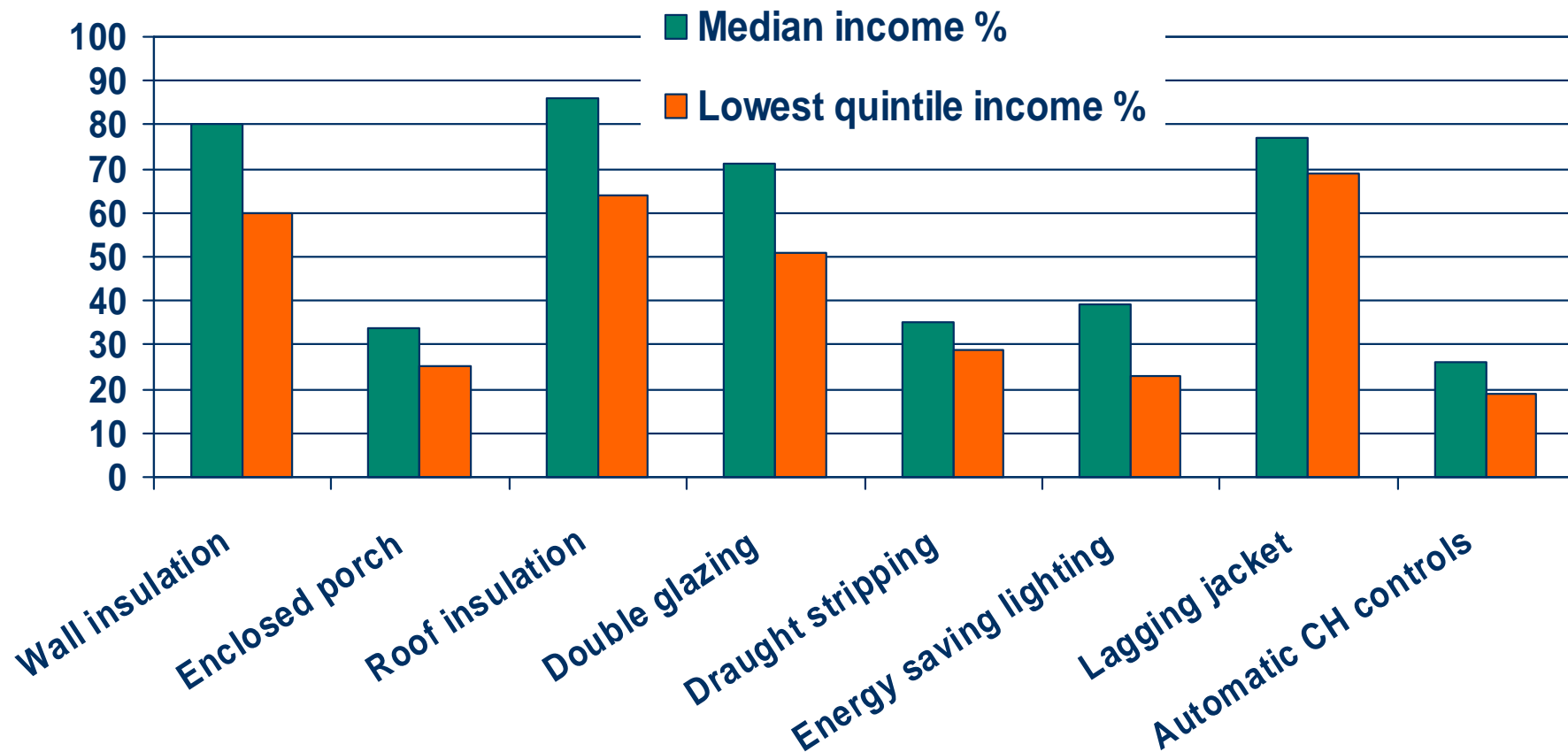
- **Household income:** lowest & second lowest income deciles respectively spent 10.3% and 8.2% of household expenditure on energy, compared with 3.8% for average income group (HBS 1999 – 2000)
- **Principal heating fuel** (and system): Fuel price, system efficiency, dependency on fuels with higher carbon content
- **Level of insulation** of the home: but not possible to cross-reference

Fuel poverty: observed patterns

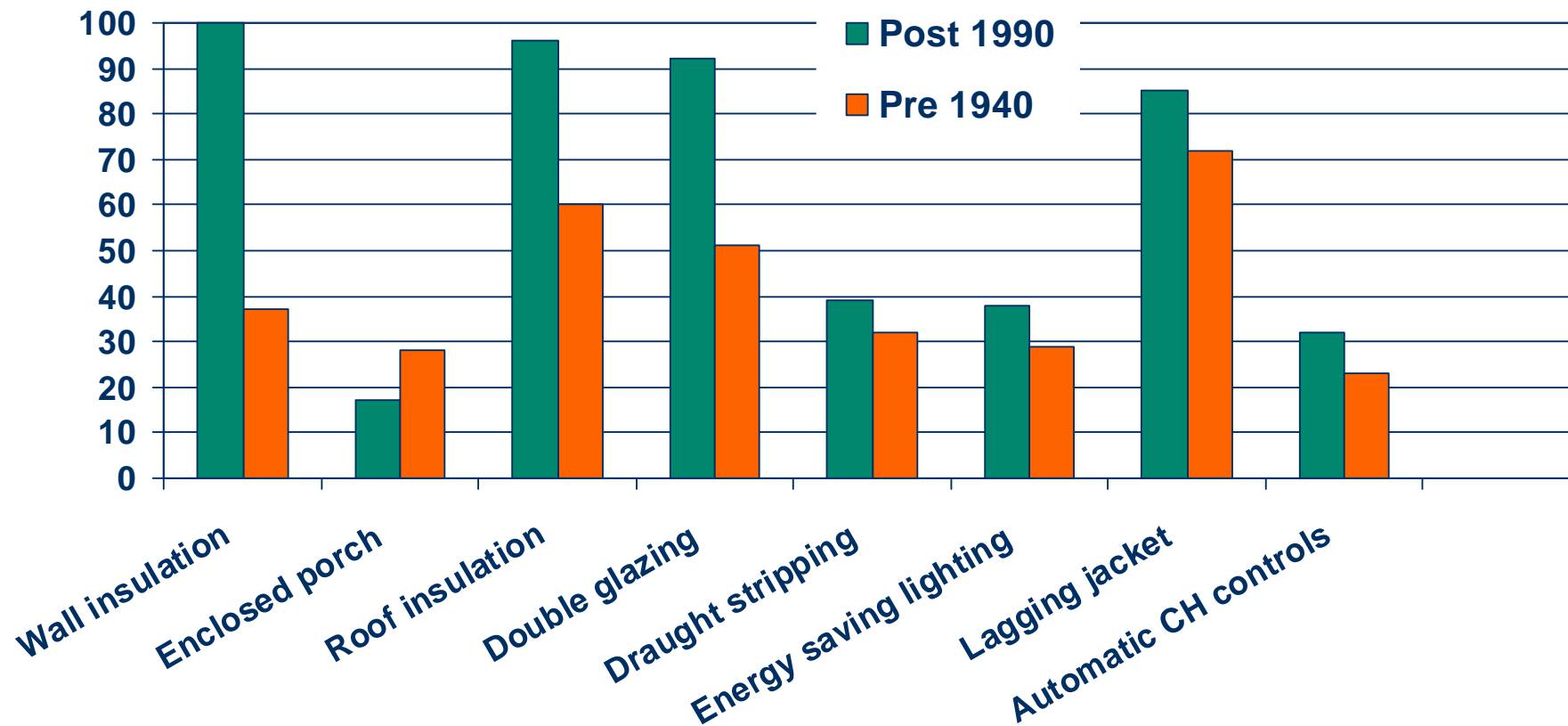


- Highest apparent incidences of fuel poverty (2001):
 - Tenure: Owner-occupied
 - Dwelling age: Largest = 1940 –79
 - Regional: Largest = Rural/ village
 - Marital status: Largest = Single
- Central heating (2002):
 - Overall housing stock: 10% non-centrally heated
 - Lowest income decile: 34% do not use central heating as main source

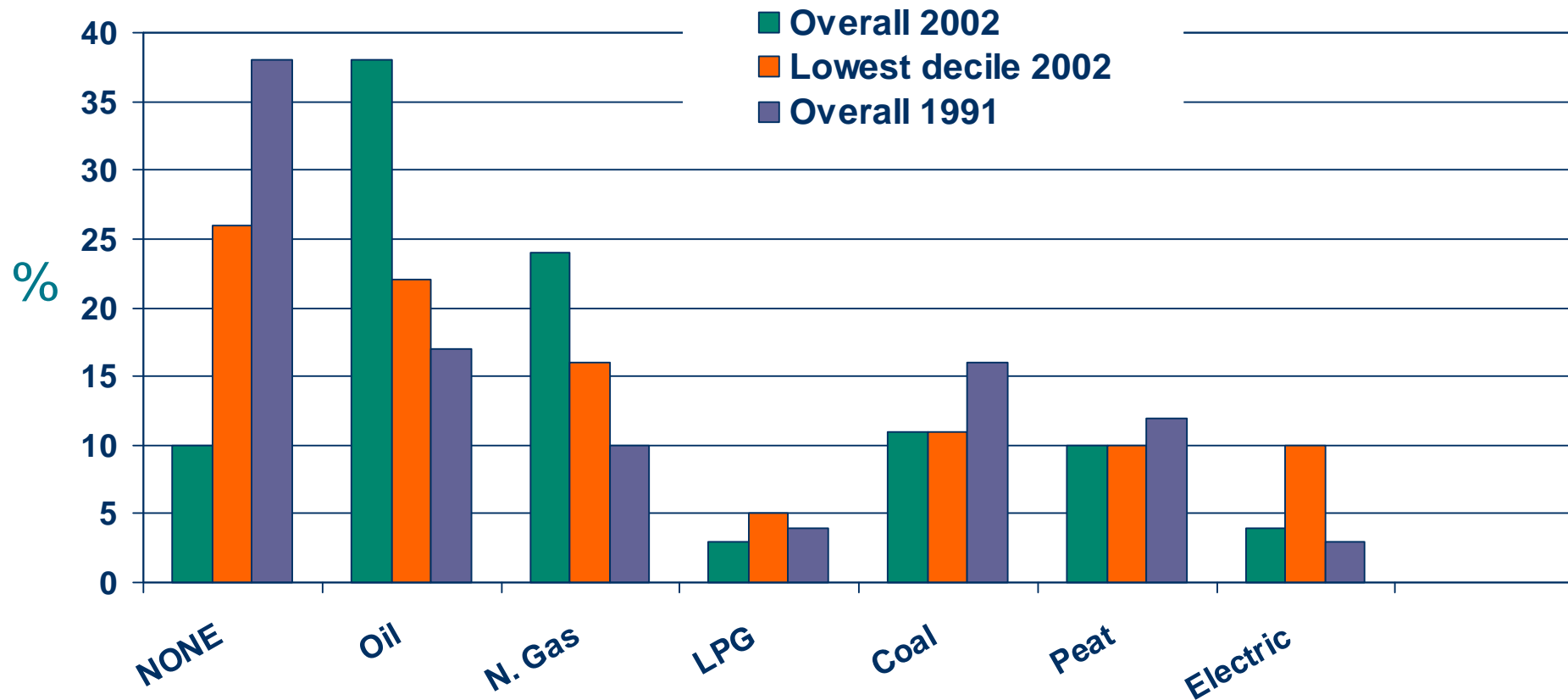
Incidence of energy saving items by income (INSHQ, 2002)



Incidence of energy saving items by house age (INSHQ, 2002)



Type of heating by income (INSHQ, 2002)



Fuel poverty in Ireland: Relevant policies & strategies

Social Welfare payment supports



- Fuel Allowances
 - Circa €120 M annually
 - Paid to 269,000 homes (30%) of social welfare recipients
 - Not specifically targeted at fuel poor
- Electricity and Gas Allowances
 - An additional €55 M annually
- Additional welfare payments
 - May or may not be spent on energy

Investment in housing stock



- NDP provides €7.6 bn for social housing
- 36,000 new local authority dwellings
- Area based regeneration initiatives
- Remedial Works Scheme
- Insulation and central heating installation
- Special Housing Aid for the Elderly
- Assists those in private sector

Green Paper on Sustainable Energy



SEI role:

- To advise the Minister of Social and Family Affairs and the Minister for Communications, Marine and Natural Resources on fuel poverty programmes
- To initiate cost-effective programmes designed to promote energy efficiency containing an appropriate mix of national and local endeavour.
- To maintain and develop policies which address fuel poverty.

NAPS

Fuel poverty:

- Address the issue of fuel poverty by ensuring that all dwellings are adequately insulated and have appropriate and adequate heating systems
- Keep under review the adequacy of the fuel allowance in addressing fuel poverty

General:

- Reduce % of population in consistent poverty to less than 2% by 2007
- Increase social welfare to a minimum of €150 per week (2002 prices)
- “Poverty proofing” of policies....

National Climate Change Strategy



- Narrowing the information gap
- Reducing the opportunity and transaction costs of investment in energy conservation
- Ensuring the availability of funds to those who need them most
- Provision of the correct incentives to landlords and tenants to ensure investment

National Development Plan: Sustainable Energy Chapter



Period 2001 – 2006:

- SEI programmes and activities – energy efficiency, renewable energy, combined heat & power
- €7.62M for Low Income Housing Programme
 - Target of 18,000 homes
- €21 M for House of Tomorrow Programme

Fuel poverty in Ireland: SEI role & focus

SEI role: General



- Providing independent policy advice to government
- Delivering programmes approved by government
- Working with market players and influencers on business behaviour and private action

Facilitate & mobilise: SEI's role



FACILITATE



MOBILISE

Co-ordination

Action

Clarity



Consensus

Complementarity

Mobilisation: SEI's role



“To assist with the establishment of a national plan of action to address fuel poverty in low-income households in Ireland”.

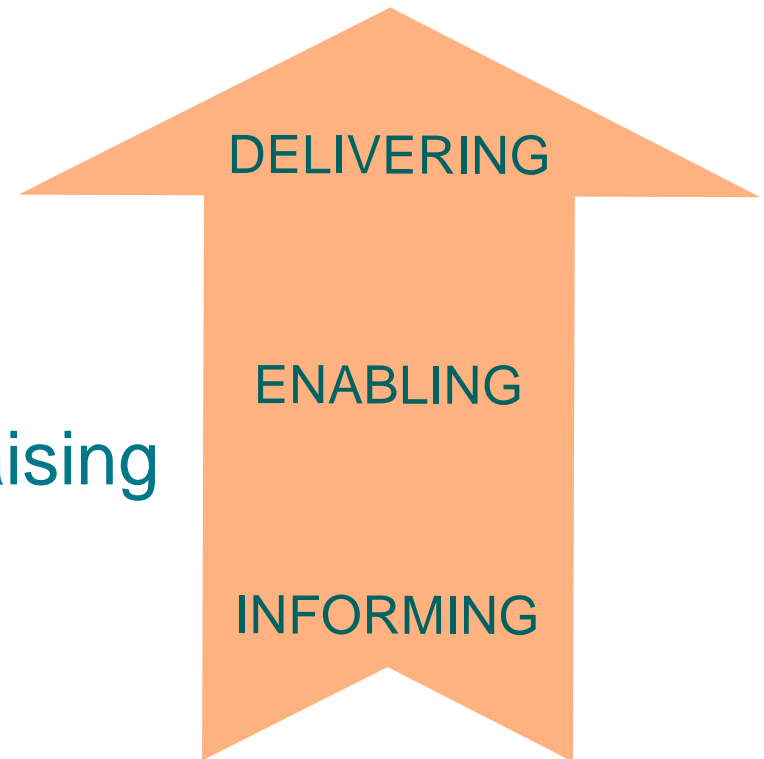
SEI Low Income Housing Programme



- €7.62 M under NDP
 1. Situation review
 2. Establish guidelines for delivering improvements to 18,000 homes
 3. Deliver funded programme
 4. Build capacity
 5. Facilitate national plan

Work programme: action lines

- **SUBSIDY:**
 - “Warmer Homes” Scheme
- **STRUCTURING A RESPONSE:**
 - Partnership building
 - Information and awareness raising
- **INSIGHT:**
 - Research



Research: Fuel Poverty Situation Review 2002



- Reviewed prior studies etc.
- Identified financial supports currently available.
- Compiled inventory of agencies involved.
- Identified state bodies addressing the issue.
- Considered potential impact of economic instruments.
- Made recommendations.

Delivered by Fitzpatrick Associates

Further research pursuits



- Health and fuel poverty in Rural and Urban areas
 - Department of Social and Family Affairs
 - Department of Health and Children
 - Department of the Environment, Heritage and Local Government
 - Combat Poverty Agency
 - Institute of Public Health
 - Health Boards
 - St Vincent De Paul
 - MABS

Service delivery: “Warmer Homes” Scheme



- Consistent nationwide model
- Install improvements
- Cover non-local authority housing
- 2,700 units in 2006
- Build service capacity
- Installers:
 - Community based
 - Regionally based
- Information, partnership networks, mentor support
- Value for money (complementary FÁS, RSS & other funding)
- Aim to broaden & deepen range of measures

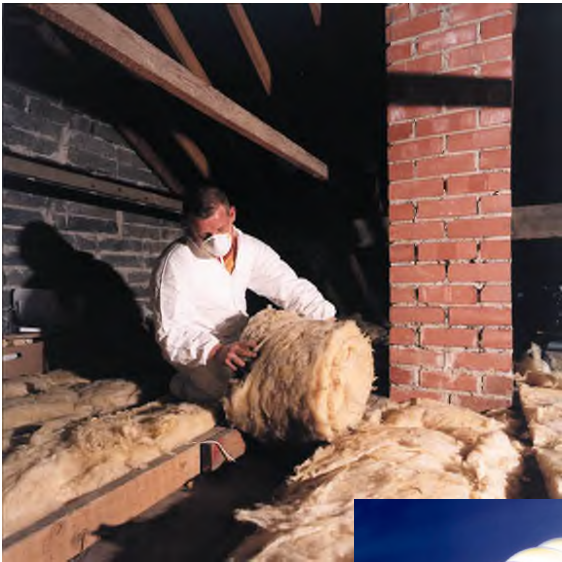


Warmer Homes Scheme



Warm up your
home and cut
your fuel bills!

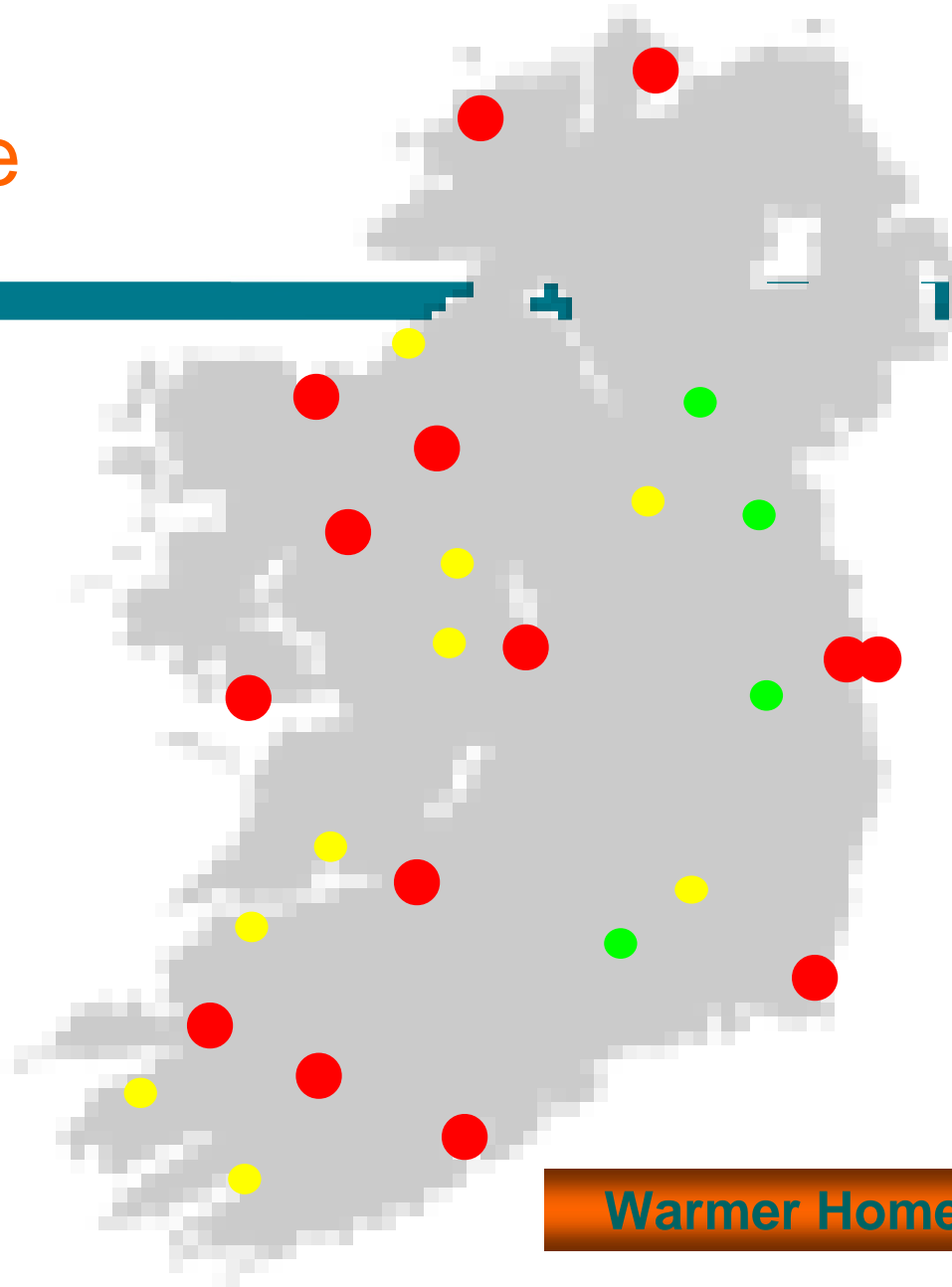
Measures installed



Current coverage

Key

- Approved
- Applied
- Interest



Warmer Homes Scheme 2006

Performance considerations



- Effectiveness
- Reliability
- Practicality
- Cost models – complementary funding
- Quality of workmanship
- Availability of installers
- Rural fuel poverty issues - access
- Management issues:
 - Community based organisations
 - Managing agency support (Eaga Partnership)
 - Mentoring support (Energy Action)

Sources of funding



FÁS - Community Employment / Social Economy Programme

Rural Social Scheme

Local authorities

Government Departments/ SEI

Partnership Companies / LEADER

Health Boards

Charities and Patrons

To conclude

SEI assigned role



- Funding Warmer Homes Scheme
- Supporting priority research
- Facilitating a co-ordinated response

Challenges & opportunities:



- Upscaling to achieve ambitious pace
- Wider geographical coverage
- Reaching less accessible homes
- Deeper scope of energy efficiency measures
- Business sustainability for service providers

Questions



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