

Annual Update on Fuel Poverty and Health

December 2008

Public Health Policy Centre

Key points

- Levels of fuel poverty appear to be increasing in the Republic of Ireland and Northern Ireland in recent years, with gains in energy efficiency and incomes negated by rising fuel prices.
- Conversely, levels of excess winter mortality appear to be declining in the Republic of Ireland, as are cold-related deaths in Northern Ireland.
- There were 1950 excess winter deaths recorded on the island of Ireland in 2005.
- Approximately 12% of deaths of people aged 65 in Northern Ireland were associated with low temperatures in the years 2000-2006, and in the Republic of Ireland 16% more deaths occurred in the winter months of the years 2000-2005, compared to the other months of the year.
- Both the statutory and community and voluntary sectors expressed concerns over fuel poverty in their pre-budget submissions in 2008.
- In 2008, an Interdepartmental Group on Affordable Energy was established in the Republic of Ireland, and in Northern Ireland a Fuel Poverty Taskforce was convened.
- Economic downturn may exert a significant effect with unemployed, 'working poor'¹ and renting families significantly at risk of fuel poverty. As fewer new houses are being built, improving the energy efficiency of the housing stock will increasingly rely on retro-fitting older houses.
- New measures which may assist fuel-poor householders in budgeting their fuel costs have been proposed in 2008. These include Smart Metering and Building Energy Ratings in the South, and social tariffs and Bulk Purchase Schemes in the North.
- Strategies for targeting fuel-poor householders most in need must encompass the owner-occupier, private rented and social housing sector and not be limited to those claiming social welfare/benefits.
- Priority research needs which would inform directions in tackling fuel poverty include: analysis of cold-related deaths, evaluation of current and proposed energy efficiency measures and research on the mechanisms by which fuel poverty impacts on the wider dimensions of health and wellbeing. A national survey of housing condition in the Republic of Ireland would be particularly helpful.

¹ The working poor refers to individuals and families who maintain regular employment but remain in relative income poverty, defined as 60% of the national median income. These households generally comprise of people on low pay with a significant number of dependents, and are commonly women.

Introduction

This paper provides an update on the *All-Ireland Policy Paper on Fuel Poverty and Health* published by the Institute of Public Health in Ireland (IPH) in December 2007.¹

Economic downturn and fluctuating fuel prices mean that for many people the challenge of fuel poverty is becoming even more immediate. Alleviating financial strain and protecting the health and social well-being of fuel-poor householders must remain a priority across government. A substantial body of research links fuel poverty to physical and mental ill-health. Older people in particular are at an increased risk of suffering from heart disease, stroke and respiratory conditions in the winter months. Research published in Northern Ireland this year has also highlighted the impact of fuel poverty on children's health and well-being.

This paper presents some of the significant developments on the island of Ireland in policy, research, economics and the activities of the statutory and community and voluntary sectors during the past year.

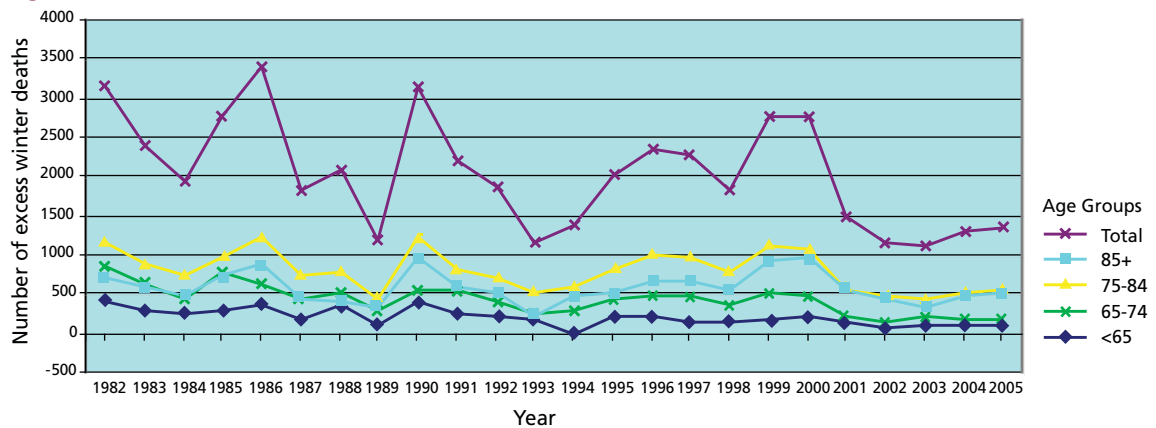
Republic of Ireland 2008

- APRIL** The Home Energy Savings Scheme is launched, with an initial investment of €5 million for a regional pilot scheme. The scheme provides homeowners with energy efficiency assessments and a contribution to the cost of works to a maximum of €2,500.
- MAY** A *Fuel Poverty & Energy Conservation Bill* is proposed as a Private Members Bill in the Dáil.
- JUNE** Sustainable Energy Ireland (SEI) publishes *Energy in the Residential Sector - 2008 report*.² This highlights that, despite improvements in energy efficiency between 1995 and 2006, 2006 energy usage in Irish households was 27% higher than the UK and one third higher than Europe. The slow-down in the building of new houses in 2007 was noted. The report states that electricity prices doubled between 2000 and 2008.
- IPH presents findings from the *All-Ireland Policy Paper on Fuel Poverty and Health* to the Joint Oireachtas Committee on Social and Family Affairs.¹
- JULY** An Inter-Departmental/Agency/Utility Group on Affordable Energy is established. Led by the Department of Communications, Energy and Natural Resources and the Office for Social Inclusion, its aim is to act as the key coordination body to ensure a cohesive approach to tackling the energy efficiency and affordability challenges amongst vulnerable members of society.
- The Commission for Energy Regulation approves a price increase by the Electricity Supply Board (ESB) of an average of 17.5% for households, to apply from August. The Commission also approves a price increase by Bord Gáis of an average of 20%, to apply from September.
- Age Action highlights how the rising costs of food and fuel are placing pressure on the incomes of older people and asks for changes in the Fuel Allowance, the Living Alone allowance, Over-80 Allowance and pensions.³

AUGUST

Data on excess winter deaths[†] is updated. While the number of deaths is highly variable, a flattening in the number of excess winter deaths since 2000 is observed (Figure 1). Linear regression analysis indicates that the decline in excess winter mortality is statistically significant over the period 1982-2006. The most significant decline was observed in the 65-74 year age group (R square =0.339, p=0.002).⁴

Figure 1. Number of excess winter deaths in Ireland 1982-2005



('Year' on the X axis refers to the winter period of that year comprising January, February and March of that year and December of the previous year.)

Data source: Trends in Excess Winter Mortality 1982-2006⁴

The average number of all-Ireland excess winter deaths annually in the period 2001-2005 was 1,864, compared to 3,452 in the preceding five years.

These findings support previous research demonstrating fewer seasonal deaths in Ireland comparing the years 1973-1999 with 2000-2006. This analysis showed a decline in seasonality for deaths from 82% to 58% for respiratory disease, from 33% to 27% for cerebrovascular diseases (i.e. stroke) and from 27% to 23% for heart disease.⁵

The causes of this decline in excess winter mortality in Ireland need to be further examined taking into account a number of possible contributory variables including:

- The severity and extent of cold temperatures and the warming of Irish winters associated with climate change^{4,6}
- Changes in the severity of fuel poverty associated with improvements in domestic heating and energy efficiency over the late 1990s/early 2000s
- Improved incomes and declines in poverty rates among older people recorded in recent years (e.g. the at risk of poverty rate for older people declined from 20.1% in 2005 to 13.6% in 2006)⁸
- Levels of influenza and the influence of the roll-out of the National Flu Vaccination Campaign since 1998 and pneumococcal vaccine since 2000
- The extension of the urban coal ban in 1998 and 2000 which would contribute to reductions in winter air pollution⁹
- Possible reductions in death rates for patients who presented to health services with illness relating to cold temperatures, namely cardiovascular disease, stroke and respiratory disease.

SEPTEMBER

The National Smart Metering Plan introduces meters on a pilot basis in 21,000 homes. The meters are intended to assist ESB customers to manage their electricity bills by providing better information on usage and cost of electricity used.

Pre-budget submissions by Age Action, the National Council on Ageing and Older People and Conference of the Religious Ireland (CORI) call for a strategic response to fuel

[†] Excess winter deaths refer to the number of deaths occurring in the winter months compared to the rest of the year. This is calculated as the number of deaths in the four months of winter (December to March) minus the average number of deaths during the preceding four months (August to November) and subsequent four months (April to July). The year runs from August to July.

poverty.^{10,11,12} The importance of tackling fuel poverty in terms of the housing situation and health of the homeless is emphasised by Simon.¹³ The Money Advice and Budgeting Service (MABS) notes an increase in the number of clients presenting with utility debts and calls for improvements in the energy efficiency of the homes of MABS clients, the majority of whom live in private or public rented accommodation.¹⁴ The Society of St Vincent de Paul describe energy bills as one of the most challenging issues facing its local groups.¹⁵ Combat Poverty Agency and OPEN also stress fuel poverty as a critical issue in their pre-budget submissions.^{16,17}

The CIPA report on *Energy Affordability*, commissioned by Bord Gáis, is published.¹⁸ This identifies the existence of a number of cross-sectoral groups responding to fuel poverty at local level. The report supports a more joined-up approach to achieve efficiency and effectively target vulnerable groups. The specific challenges facing the private rented sector are highlighted. The report calls for the development of better information on fuel poverty and housing condition.

A report on *Understanding Electricity and Gas Prices* in Ireland is published.¹⁹ The analysis demonstrates that Ireland is above the EU average with regard to domestic electricity and gas prices (approximately 20% and 17% above average). Using purchasing power parities, average prices fall below the EU average, although not for small or low energy usage dwellings.

OCTOBER The *Fuel Poverty and Energy Conservation Bill*, calling on Government to develop a national fuel poverty strategy, is tabled and debated in the Dáil. The motion is supported by opposition parties but defeated in a vote.

Budget 2009 increases the fuel allowance by €2 a week, providing a total of €20 a week. The duration of payment is increased from 30 to 32 weeks. Funding for the Home Energy Saving Scheme and the Warm Homes Scheme is increased to €20 million and €10 million respectively.

The 2009 Carbon Budget is announced. This calls for an enhanced target for energy efficiency of newly built dwellings by 2010 and proposes a full audit of public housing stock in 2009.

Sustainable Energy Ireland reminds homeowners that all homes for sale or rent from January 2009 must have a Building Energy Rating (BER). This could contribute to tackling the high levels of fuel poverty in the private rented sector by enabling tenants to take potential fuel bills into account when deciding to rent a property.

NOVEMBER A *Working Paper on Fuel Poverty in Ireland: Extent, Affected Groups and Policy Issues* is published by the Economic and Social Research Institute (ESRI).⁷ The paper estimates that

- 16% of Irish households (229,000) were spending more than 10% of disposable income on fuel in 2005, with an indicative fuel poverty rate of over 19% of households (300,000) in 2008
- 8% of Irish households (119,000) reported that they cannot afford to heat their homes adequately or have gone without heating in the past year because they cannot afford it
- Households where the chief economic supporter is unemployed or engaged in home duties are between 6 and 13 times more likely to experience fuel poverty
- Households where the chief economic supporter is female are 30% more likely to be fuel poor.

The paper also highlights a reversal of the trend for declining fuel poverty observed over the 1990's. The ESRI points to the need to develop better information on housing conditions and the scale and effectiveness of current activities targeting fuel poverty.

ESB and Bord Gáis apply to the Commission for Energy Regulation for price increases to apply from January 2009. ESB applies for a domestic price increase of 5.8%, while Bord Gáis seeks an increase of 4.2%.

Northern Ireland 2008

JANUARY Findings from a paper published in late 2007 demonstrate a significant fall in the number and proportion of cold-related deaths in Northern Ireland since 1999. The impact of a one degree of temperature shortfall* in the 1980's was three times that in the period 2000-2004. Between 2000 and 2006 about 12% of deaths of people aged 65 and over were associated with temperature shortfall.²⁰

MAY The Minister for Social Development forms a Fuel Poverty Taskforce to bring forward recommendations on how to assist those most affected by rapidly escalating fuel prices.

IPH presents findings from the *All-Ireland Policy Paper on Fuel Poverty and Health* to the Northern Ireland Fuel Poverty Advisory Group (NIFPAG).¹

The *UK Fuel Poverty Monitor Sixth Year report -the wrong direction: how UK fuel poverty policy lost its way* is produced by NEA and Energy Action Scotland.²¹ The report predicts that the target of ending fuel poverty in vulnerable⁵ households by 2010, as shared by the Westminster Government and the Assemblies of Wales and Northern Ireland, will not be achieved. The report proposes that Government consider weighting within the Winter Fuel Payment to reflect the climatic conditions encountered in colder regions of the UK.

JUNE A review of the Warm Homes Scheme is published by the Northern Ireland Audit Office.²² This scheme, sponsored by the Department for Social Development, tackles fuel poverty through improvements in domestic energy efficiency for vulnerable owner occupiers and tenants in private rented accommodation. The Audit Office recognises the value of the Scheme which has provided energy efficiency measures to 60,000 homes since 2001. However, a number of improvements are recommended:

- Enhanced performance monitoring and commitment to quality and timeliness of works completed
- Better targeting of resources to those most in need as current eligibility criteria exclude significant numbers of fuel poor
- Ensuring energy efficiency adaptations are sufficient to lift households out of fuel poverty.

JULY Results from the *Northern Ireland House Conditions Survey 2006* are made publicly available.²³ These estimate that levels of fuel poverty in 2006 had risen to 34% (239,700 households). This represents the first increase in fuel-poor households since the initiation of the Northern Ireland (NI) Fuel Poverty Strategy. Preparations for the 2009 House Condition Survey begin.

AUGUST The Utility Regulator announces the launch of a public consultation on the NI Energy Efficiency Levy Programme and Operational Review 2008. Funds derived from this Levy are used to address fuel poverty. The consultation invites views on the most appropriate allocation of funds in terms of the households targeted and type of energy efficiency works funded.

SEPTEMBER The Minister for Social Development puts forward a paper based on the recommendations of the Fuel Poverty Taskforce and awaits consideration by the Northern Ireland Executive.

NEA NI hold a seminar to present findings from their research on the nature of fuel poverty in working poor households. This shows that levels of fuel poverty in working fuel poor and non-working fuel poor households are similar, despite higher incomes in working households. The extent of fuel poverty in working poor households is driven by the very poor energy efficiency in houses they occupy.

* Temperature shortfall refers to external temperatures below 15.5 degrees Centigrade (Computed as (15.5 – average monthly temperature in degrees centigrade) with minus values reset to zero).

⁵ Vulnerable households are defined as those on specific benefits, people with a disability or who are over 60 years old or have children. The definition includes households in the social rented sector.

The First Minister and Deputy First Minister hold meetings with representatives of the energy sector and the Utility Regulator to discuss the recent increase in energy costs, the forthcoming independent review of the price rises and the measures which can be taken to help the most vulnerable households.

OCTOBER The Department for Social Development opens a consultation seeking views on the future of the Warm Homes Scheme, further to the Northern Ireland Audit Office report published in June.²⁴

The Northern Ireland Executive meets after a prolonged absence.

The Payment Awareness Campaign, managed by NEA and the NI Energy Advice Centre begins. Television advertisements promote an advice line offering assistance with budgeting for fuel.

NOVEMBER A *Can't Heat or Eat* public rally is held outside Stormont. Led by Age Sector Platform, Help the Aged and Age Concern NI, the rally is joined by the Minister for Social Development and the SDLP. The campaign requests urgent review of the adequacy of state pension and benefits and immediate reallocation to winter fuel payments, as well as an emergency trust fund for winter 2008/09.

Chief Medical Officer, Dr Michael McBride, emphasises that *'fuel poverty exerts a huge pressure on the health and well-being of a substantial part of our society and on our health and social services system'* at a seminar hosted by NEA NI and the Eastern Investing for Health Partnership.²⁵

The Department of Enterprise, Trade and Investment open a scoping consultation aimed at gathering views in order to develop a Strategic Energy Framework in 2009.²⁶

The third annual report of the NI Fuel Poverty Advisory Group (NIFPAG) is published, entitled *Tackling Fuel Poverty: Facing Uncertainty*. Concern is raised over the rise in fuel poverty among working poor households. The Group calls for an additional payment to alleviate hardship in winter 2008/09. Long-term, the group calls for an immediate review of the fuel poverty strategy and consideration of mechanisms relating to social tariffs, fuel stamp saving schemes and bulk purchasing schemes by social housing providers.²⁷

The government response to the NIFPAG recommendations is published in *Tackling Fuel Poverty – The InterDepartmental Group's Third Annual Report 2008*. Government agrees to:

- Pass legislation to enable the Northern Ireland Housing Executive to pursue a Bulk Purchase Scheme
- Explore issues relating to social tariffs
- Review the Fuel Poverty Strategy in 2009.²⁸

The recommendations of the Fuel Poverty Task Force are presented to the Northern Ireland Executive for discussion and decision.

DECEMBER Save the Children launches a policy briefing on the impact of fuel poverty on children. This shows that the proportion of households with children which were fuel-poor more than doubled between 2004 and 2006. One in four households with children were fuel-poor in 2006, comprising 51,640 families. Negative effects on the health of infants and adolescents are highlighted and the development of a Fuel Poverty Children's Charter is recommended.²⁹

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Please note that all documents listed in the references can be accessed through the Fuel Poverty Collection on the All-Ireland electronic Health Library (www.AleHL.org). The All-Ireland Policy Paper on Fuel Poverty and Health and this update document can be downloaded from the Institute of Public Health in Ireland website www.publichealth.ie



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