



Research Paper: The Need for a Fuel Bank Scheme in Northern Ireland

December 2021



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1. Executive summary

This research was produced by Bryson Energy on behalf of the Consumer Council which set out the overarching aim of undertaking a scoping exercise regarding the need for, and means to establish, a Northern Ireland fuel bank. Fuel banks already operate in Scotland, Wales and England, providing vouchers to customers with a prepayment meter who have been referred by a third party because they are at crisis point. Each voucher provides around two-weeks of support with gas or electricity so that customers need not choose between eating, heating or lighting their home.

The scoping exercise examined the available research and information on fuel poverty and fuel poverty crisis support initiatives in NI and across the UK. Supplementary exploratory discussions were also held with National Energy Action (NEA) Northern Ireland, Advice NI and the Fuel Bank Foundation: organisations with expertise in and knowledge of the impact of fuel poverty.

Fuel poverty in Northern Ireland

Fuel poverty is a devolved policy area. It is defined and measured differently in other parts of the UK. Due to differences in methodology, fuel poverty rates across the UK cannot be directly compared.

In Northern Ireland, a household is considered fuel poor “if, in order to maintain a satisfactory level of heating (21°C in the main living room and 18°C in other occupied rooms), it is required to spend in excess of 10% of its household income on all fuel use”.

Four factors affect fuel poverty: household income, fuel costs, the energy efficiency of the dwelling, and behaviour affecting energy consumption.

Summary findings: high-level assessment of fuel poverty in Northern Ireland

- The number of households in fuel poverty may have risen to 241,800 (31%) in 2021 from 160,000 in 2016 (22%) due to an estimated annual (2021) increase in fuel costs of approximately 15% compared to 2016 levels¹.
- The number of Universal Credit Claimants almost doubled between February and July 2020 when the government introduced COVID-19 restrictions. In October 2021, the number of claimants who claimed Jobseekers Allowance and Universal Credit principally for the reason of being unemployed decreased slightly to 47,000, though it is 54% higher than the pre-pandemic count in March 2020
- The £20 per week temporary increase to Universal Credit due to the impact of the COVID-19 pandemic ended in October 2021, impacting over 44,000 households with children (83,930 children). The £100 Spend Local vouchers issued by the Department for the Economy to approximately 1.436 million applicants in October / November 2021 will likely have absorbed some of the impact of this cut for the time being, however the

¹ Based on scenarios published in the [Northern Ireland Fuel Price Ready Reckoner for Fuel Poverty, October 2018](#)

Minister for the Department for Communities has urged the UK government to retain the uplift

- Oil remains the largest source of heating - 68% in NI, followed by gas at 24%, and 8% other sources. Oil prices have spiked to levels not seen since 2018 with an average price of £175 for 300 litres in November 2021, compared to £100 in the same period last year - a 75% increase. Since March 2021, electricity and gas prices have increased by an average of 32% and 53% respectively – a yearly increase of up to £452 on electricity and £528 on gas for those worst affected. The Utility Regulator has warned that unparalleled rises in global whole gas markets will drive further increases to electricity and gas bills during winter 2021. It expects to see continued upward pressure on bills until summer 2022
- The Consumer Council has reported an historic high of 152.05 on its composite Home Energy Index at the end of October 2021, and the largest monthly increase since the index began (in 2016) between September 2021 to October 2021. This reflects the substantial price increases in electricity, gas and home heating oil. According to the Home Energy Index, consumers are now paying the highest electricity and gas prices since the index began.
- Inflation rose sharply from 3.1% in September 2021 to 4.2% in October 2021, the highest rate in almost 10 years increasing the cost of living and placing further financial strain on those living in fuel poverty
- Whilst a range of energy efficiency schemes are available to a limited number of people living in fuel poverty in Northern Ireland, they are not currently funded to cope with the demand of the increased number of households living in fuel poverty driven by unprecedented rises home energy costs

The optimum fuel bank model for winter 2021/22

A fuel bank scheme in Northern Ireland is evidently needed but on what scale? To support all households estimated to be in fuel poverty in 2021 with a £200 payment in winter 2021/22 could cost in the region of £70m including administration costs, which would be out of scope for a fuel bank scheme in Northern Ireland.

Instead, the fuel bank scheme for Northern Ireland, which must be ready to launch during winter 2021/22 (aligned to the original objectives of this research) should aim to assist 20,000 households of those in the greatest need who are in fuel crisis (twice that of the 'Warm' element of Warm Well Connected funded by the Department for Communities in winter 20/21) who can apply via an online form (with assistance for those who need it) for an equitable one-off £100 top-up of electricity or credit towards an oil fill, or £98 of gas (equivalent to two £49 top-ups which is the maximum top-up amount in a single transaction). Additional support to maximise income and reduce energy bills should be provided to 5,000 the most extreme cases.

Following the winter 2021/22 period, the fuel bank in Northern Ireland should be sustained and levels of support and funding should be revised for summer 2022 onwards.

2. Introduction

This research was produced by Bryson on behalf of the Consumer Council which set out the following aim:

To undertake a scoping exercise regarding the need for, and means to establish, a Northern Ireland fuel bank to include consideration of:

- (1) the available consumer referral options*
- (2) the means to assist consumers on all fuel types*
- (3) how eligibility should be determined*
- (4) proposed delivery options, and*
- (5) a preferred optimal delivery model, and the reasons for that model, which will be ready for roll-out in winter 2021.*

2.1 Consumer Council

The Consumer Council which is a non-departmental public body (NDPB) established through the General Consumer Council (Northern Ireland) Order 1984. Its principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland. It has specific statutory duties in relation to energy, postal services, transport, and water and sewerage. These include considering consumer complaints and enquiries, carrying out research and educating and informing consumers.

To support its delivery, the Consumer Council undertakes research activities which provide insight into consumer issues in Northern Ireland. This insight forms the basis for future planning and strategic decision making.

2.2 Bryson Energy

Bryson Energy (Bryson) was commissioned to undertake this research and publish its findings. Bryson has a long history of working to alleviate the impact of fuel poverty and supporting and motivating people to reduce their energy costs and greenhouse emissions.

3. Methodology

To achieve the aims of the research, a scoping exercise was conducted alongside a series of exploratory discussions with organisations who have a knowledge of, and experience in, supporting people living in fuel poverty in Northern Ireland.

The scoping exercise examined the available research and information on fuel poverty and fuel poverty crisis support initiatives, both in Northern Ireland and more broadly across the UK, in order to determine the need for, and means to establish, a fuel bank scheme in Northern Ireland.

To supplement the findings of the scoping exercise, exploratory discussions were held with senior staff/trustees from organisations considered to have expertise and knowledge in the subject area. Participant organisations included National Energy Action (NEA) Northern Ireland², Advice NI³ and the Fuel Bank Foundation⁴. Topics discussed included fuel poverty generally in Northern Ireland in the context of COVID-19; the need for a fuel bank/crisis support initiative in Northern Ireland; and its potential features.

4. High-level assessment of fuel poverty in Northern Ireland

Fuel poverty became a devolved policy area in NI under the 1998 Belfast Agreement or Good Friday Agreement (The Belfast Agreement, 1998). It is defined and measured differently in other parts of the UK. Due to differences in methodology, fuel poverty rates across the UK cannot be directly compared.

4.1 Fuel poverty definition – Northern Ireland

In Northern Ireland, a household is considered fuel poor:

...if, in order to maintain a satisfactory level of heating (21°C in the main living room and 18°C in other occupied rooms), it is required to spend in excess of 10% of its household income on all fuel use (Warmer Healthier Homes - a new Fuel Poverty Strategy for Northern Ireland, 2011).

4.2 Key factors affecting fuel poverty

Fuel poverty is affected by four key factors:

- Household income
- Fuel costs
- Energy efficiency of the dwelling, and
- Behaviour, affecting energy consumption

4.3 Current government targets and strategy

Whilst a new fuel poverty strategy is currently in development, the latest NI Government [fuel poverty strategy](#) was published in March 2011. It states that a 2004 target to eradicate fuel

² <https://www.nea.org.uk/professional-advice-workers/>

³ <https://www.adviceni.net>

⁴ <https://www.fuelbankfoundation.org>

poverty by 2016 will not be met, but states “the eradication of fuel poverty must remain as a core goal”.⁵

4.4 Fuel poverty overview prior to the COVID-19 pandemic

The latest Northern Ireland Housing Condition Survey⁶ (2016) was published in 2018 prior to the COVID-19 pandemic, and the latest Northern Ireland Housing Statistics report (2019-20) was released in December 2020⁷. The following key findings were noted:

- Total housing stock increased to 807,812⁸ in 2019/20 from 780,000 in 2016. In 2019/20 70% of dwellings were owned outright or with a mortgage, 14% were privately rented, 10% were NIHE rented, and 5% were rented from housing associations⁷.
- 160,000 households were estimated to be in fuel poverty in Northern Ireland in 2016: 22% of households. Modelled estimates set the fuel poverty rate at 17% in 2017 and 18% in 2018⁹. Figure 1 below shows the trend since 2006.
- Approximately 43,800 of those households were estimated to be in extreme fuel poverty in 2016 (i.e. spending over 15% of their total income to heat their homes)
- 124,800 (78%) of households living in fuel poverty had an annual income of £15,599 or less and 88,000 (55%) had an annual income of less than £10,399 in 2016
- The mean Standard Assessment Procedure (SAP) energy efficiency rating improved from 59.63 in 2011 to 64.84 (maximum rating is 100) in 2016
- 52% of households living in old properties (pre-1919) were living in fuel poverty in 2016
- 99% of dwellings had central heating in 2016
- 65% of the housing stock was classified as urban, and 35% rural in 2016. 18% of dwellings were in the Belfast Metropolitan Urban Area (16% in 2011), 31% were located in the Derry Urban Area / larger towns (34% in 2011)
- Oil remained the largest source of heating - 68%. In the Energy in Northern Ireland report¹⁰ (June 2020) oil remained the largest heating source at 68%, with gas at 24% and 8% are other sources
- Additionally, in the same period, the Poverty Bulletin: Northern Ireland estimated that 336,000 people (18%) in Northern Ireland were living in poverty¹¹.

The latest Poverty Bulletin (2019/20) published in March 2021 estimated that 313,000 individuals (17%) were living in poverty, including 162,000 (14%) working-age adults and 100,000 children. It noted that the threshold for couples without children was a weekly income

⁵ NI Government, *A New Fuel Poverty Strategy for Northern Ireland*, March 2011

⁶ <https://www.nihe.gov.uk/Documents/Research/HCS-2016-Main-Reports/HCS-Main-Report-2016.aspx>

⁷ <https://www.communities-ni.gov.uk/system/files/publications/communities/ni-housing-stats-19-20-full-copy.pdf>

⁸ <https://www.communities-ni.gov.uk/system/files/publications/communities/ni-housing-stats-19-20-full-copy.pdf>

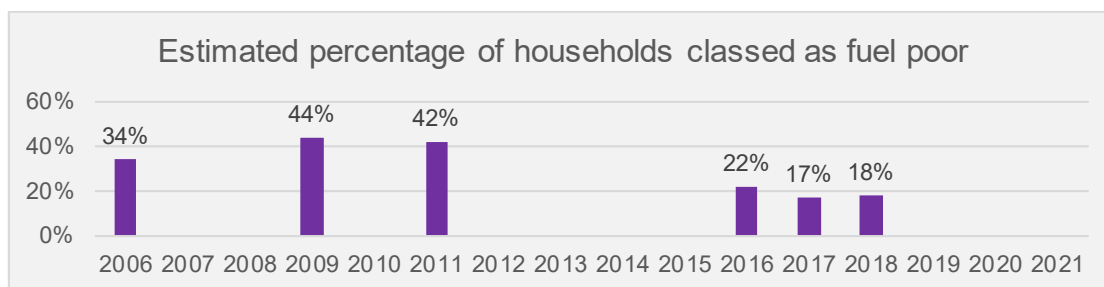
⁹ <https://www.nihe.gov.uk/getmedia/1f9e55a1-66c2-46b7-bf92-9ee192ce355f/estimates-of-fuel-poverty-northern-ireland-2017-and-2018-revised.pdf.aspx?ext=.pdf>

¹⁰ <https://www.economy-ni.gov.uk/publications/energy-northern-ireland-2020>

¹¹ <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/ni-poverty-bulletin-201617.pdf>

of £328 (before housing costs)¹². With the average weekly rent at £100 in the private sector, or £79 in the social sector (Northern Ireland Housing Statistics, 2019/20¹³), couples without children would have had as little as £228 remaining for all other living costs.

Figure 1. Pre-COVID-19 pandemic fuel poverty rates in Northern Ireland were down by over half in 2018 since their peak in 2009⁶.



Household Domestic Energy Expenditure

The Northern Ireland Household Domestic Energy Expenditure 2013-15 to 2018-20 report (Department for Economy, October 2021) highlighted that in the 2018-20 period:

- 11% of all weekly household expenditure, transfer and savings in Northern Ireland during the period was on energy (electricity, gas, other fuels/home heating oil) and transport fuel (petrol and diesel). This figure has remained relatively stable since 2015-17.
- Households in Northern Ireland had the lowest level of overall weekly household expenditure - some 22% below the UK average. See table 1.
- Households in Northern Ireland direct a higher share of their household expenditure to energy and spend more on energy - approximately 26% above the UK average
- Around half of all types of household energy expenditure is on petrol and diesel which contributes, along with expenditure on home heating oil, to higher energy expenditure in Northern Ireland households:
 - Around half of weekly household expenditure on energy is on petrol and diesel
 - Higher total expenditure on energy, and a higher share of all expenditure on energy, by Northern Ireland households, is explained largely by the levels of expenditure on petrol and diesel and on home heating oil
 - The quantum and pattern of energy expenditure for any region will vary due to a range of factors. For example, whilst households in Northern Ireland spend more on energy related to private transport through expenditure on petrol and diesel, they spend respectively less on transport services such as rail and bus travel.

¹² <https://www.communities-ni.gov.uk/system/files/publications/communities/ni-poverty-bulletin-201920.pdf>

¹³ <https://www.communities-ni.gov.uk/system/files/publications/communities/ni-housing-stats-19-20-full-copy.pdf>

Table 1. 11% of all weekly household expenditure, transfer and savings in Northern Ireland during 2018-20 was on energy - the highest in the UK

	UK	England	Wales	Scotland	Northern Ireland
Average weekly household energy expenditure as a proportion of all average weekly household expenditure, transfers and savings	7%	6%	8%	8%	11%
Average weekly household energy expenditure	£46	£46	£48	£44	£58
Average weekly total household expenditure, transfers and savings	£697	£718	£614	£590	£544
Average weekly household transport services expenditure	£21	£22	£13	£20	£14
Average weekly household energy and transport services expenditure	£67	£68	£61	£64	£72

Source: [Northern Ireland Household Domestic Energy Expenditure 2013-15 to 2018-20 \(Department for Economy, October 2021\)](#)

4.5 Fuel poverty in the context of the COVID-19 pandemic

The COVID-19 pandemic continues to affect households in NI since its onset in March 2020. The factors affecting fuel poverty have all been acutely impacted during the pandemic and this section considers those factors and their likely impact on fuel poverty.

4.5.1 Low income and Universal Credit

Employment

The latest Northern Ireland Labour Market Report (November 2021) estimates that 851,000 people were employed (70.2%) in October 2021 (aged 16-64), a reduction of 12,000 (0.9%) against the previous year¹⁴.

According to the Employee Earnings in Northern Ireland Report (October 2021) weekly earnings in NI increased by an average £46.30 (8.8%) over the year to £575. However, approximately 1 in 5 jobs (170,000) in Northern Ireland are 'low paid' (i.e. earning £9.40 per hour or less in 2021) which is the highest number of low paid jobs in the UK. NISRA noted that this is the lowest proportion in NI in 20 years¹⁵.

The highest percentage of low-paid jobs (51%) are in two occupational groups: 'sales and customer service occupations' and 'elementary occupations'.

Broken down by working pattern, there is a greater proportion of low-paid part time jobs (36%), compared with full-time jobs (12%), which disproportionately affects women - according to the Women in Northern Ireland 2020 report 79% of part-time employees are women¹⁶.

¹⁴ <https://www.nisra.gov.uk/system/files/statistics/labour-market-report-november-2021.pdf>

¹⁵ <https://www.nisra.gov.uk/system/files/statistics/Employee-earnings-NI-2021.pdf>

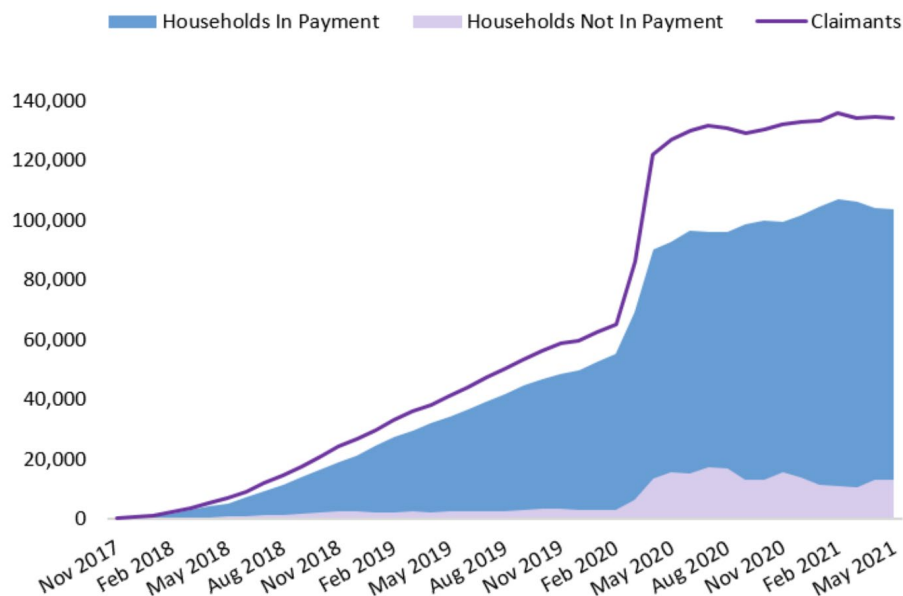
¹⁶ https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/Women%20in%20NI%202020_0.pdf

The Coronavirus Job Retention Scheme (CJRS) closed on 30th September 2021 when 26,300 jobs were supported in NI⁸. Surprisingly, October’s Claimant count decreased from September’s total and the number of proposed collective redundancies remained low through September, October and the first half of November. HMRC’s latest payroll data shows the number of payrolled employees in October 2021 was 2.1% above those recorded in March 2020 pre-COVID-19.

Universal Credit

The number of Universal Credit claimants almost doubled between February and July 2020 when the government introduced COVID-19 restrictions – see figure 2 below. The claimant count was 134,070 in May 2021¹⁷, including 39,630 people ‘searching for work’, 37,800 ‘working’, and 10,500 planning / preparing for work. The average amount awarded to households was £740 per month, including a temporary increase of £20 per week in response to the coronavirus pandemic which ended in October 2021. The end of the £20 per week increase has received wide-spread criticism, including from the Minister of the Department for Communities who has urged for the retention of the uplift – over 44,000 households with children have a Universal Credit claim in payment meaning around 83,930 children will be impacted by its removal.

Figure 2. The number of households on Universal Credit almost doubled between February and July 2020 when the government introduced COVID-19 restrictions. The claimant count was 134,070 in May 2021.



Source: [Universal Credit: Northern Ireland - Data to May 2021](https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-ni-uc-stats-may-2021.pdf)

Whilst the £20 per week temporary increase was cut, those who are in receipt of Universal Credit and are able to work will benefit from 1st December 2021 as the Universal Credit taper rate (i.e. the amount of Universal Credit claimants lose as they work more and earn more

¹⁷ <https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-ni-uc-stats-may-2021.pdf>

above a particular threshold) will be permanently cut by 8% from 63p to 55p, meaning that those who are working above their work allowance will lose 55p per £1 received compared to 63p previously. No measures have been put in place for other claimant categories.

The geographic spread of Universal Claimants is demonstrated by the total number of claimants for each Jobs & Benefits Office – see Table 1 below¹⁸. This broadly corresponds to the Multiple Deprivation Measure¹⁹ (2017) where 5 of the 10 most deprived Super Output Areas were in Derry City & Strabane, with the other 5 in Belfast. Of the 100 most deprived Super Output Areas, 50 are in Belfast, the highest proportion of all Local Government Districts

*Table 1. The geographic spread of Universal Credit Claimants by Jobs & Benefits Office in May 2021 broadly corresponds the 100 most deprived Super Output Areas identified in the Multiple Deprivation Measure 2017.*¹³

Jobs & Benefits Office	No. of Claimants	Jobs & Benefits Office	No. of Claimants
Foyle	7,110	Dungannon	3,880
North Belfast	7,100	Falls Road	3,810
Newry	6,020	Portadown	3,810
Hollywood Road	5,860	Ballymoney	3,360
Lisburn	5,450	Omagh	3,200
Lurgan	5,000	Strabane	3,080
Bangor	4,770	Magherafelt	2,910
Knockbreda	4,740	Banbridge	2,840
Coleraine	4,600	Shankill	2,690
Andersonstown	4,430	Downpatrick	2,620
Ballymena	4,430	Limavady	2,550
Newtownabbey	4,430	Carrickfergus	2,500
Shaftesbury Square	4,270	Larne	2,070
Antrim	4,220	Cookstown	1,800
Newtownards	4,140	Ballynahinch	1,780
Lisnagelvin	4,080	Newcastle	1,500
Enniskillen	3,960	Kilkeel	1,160
Armagh	3,930		

Source: [Universal Credit: Northern Ireland - Data to May 2021](#)

More recently, the Northern Ireland Labour Market Report (November 2021) notes that in October 2021, the seasonally adjusted number of people on the claimant count is **54% higher than the pre-pandemic count in March 2020**, though 26% below the recent peak in May

¹⁸ <https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-ni-uc-stats-may-2021.pdf>

¹⁹ <https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/NIMDM17-%20with%20ns.pdf>

2021²⁰. The claimant count figure includes Jobseeker's Allowance Claimants and those claimants of Universal Credit who are claiming principally for the reason of being unemployed.

4.5.2 Fuel prices and inflation

The price of oil has hit levels not seen since a spike in 2018 with the average price of £175.25 (300L), £267.40 (500L) and £509.86 (900L). Source: Home Heating Oil Price Checker, Consumer Council, 17th November 2021.

Electricity and gas have increased on average by 32% (£202) and 53% respectively, though some consumers have seen their bills increase by up to 66% (electricity) and 91% (gas) since March 2021 – see Table 2.

This is up to an estimated £452 per year increase on electricity and £528 per year on gas for those worst affected.

Table 2. Since March 2021, the domestic price of electricity and gas have increased by up to 66% and 91% respectively.

	Company	Area	Increase/Estimated Cost Per Year	Date Effective
Electricity	SSE Airtricity	NI	32.4% total: 9% (£62) 9.7% (£58) 9.8% (£46) 3.9% (£22)	1 st Dec 21 1 st Aug 21 1 st Apr 21 1 st Mar 21
	Budget Energy	NI	65.8% total: 29% (£208) 18% (£129) 14.9% (£93) 3.9% (£22)	26 th Nov 21 8 th Oct 21 2 nd Jul 21 21 st Mar 21
	Click Energy	NI	43% total: 18% (£131) 16% (£100) 9% (£56)	1 st Nov 21 1 st Oct 21 1 st Sep 21
	Electric Ireland	NI	27.6% total: 13.5% (£87) 10.2% (£60) 3.9% (£22)	1 st Nov 21 1 st Aug 21 1 st Mar 21
	Power NI	NI	28.3% total: 21.4% (£131) 6.9% (£39)	1 st Jan 22 1 st Jul 21
	Bright Energy	NI	65% total: 29% (£203) 20% (£113) 8% (£42)	15 th Oct 21 9 th Sep 21 19 th Aug 21 25 th Jun 21

²⁰ <https://www.nisra.gov.uk/system/files/statistics/labour-market-report-november-2021.pdf>

			8% (£42)	
Gas	Firmus	Ten Towns	90.83% total: 38.18% (£268) 35.15% (£182) 17.5% (£78)	3 rd Dec 21 1 st Oct 21 1 st Apr 21
		Belfast	46.98% total: 32.98% (£182) 14% (£69)	22 nd Oct 21 15 th Apr 21
	SSE Airtricity	NI	31.6% total: 21.8% (£112) 9.8% (£46)	1 st Oct 21 1 st Apr 21

Source: [Consumer Council](#)

Utility Regulator

In its October 2021 Newsletter, the Utility Regulator warned that electricity and gas consumers in Northern Ireland will face further significant increases to their energy bills in winter 2021 which it attributed to unparalleled rises in global wholesale gas markets that has never been experienced before²¹.

Since then, the Utility Regulator noted there has been a rapid and sustained acceleration of wholesale gas prices. With continuing supply constraints, mainly from reduced gas supplies from Russia, wholesale prices peaked at a new record high in early October. At the time of the Utility Regulator's October 2021 Newsletter publication, the wholesale price had reduced to around £2.40 per therm, however it noted this still represents a 109% increase from the end of August.

The Utility Regulator noted that with such a volatile market, it is difficult to predict how long gas prices will remain high, however as a result of these record global prices it does expect to see a significant upward pressure on bills until summer 2022. Wholesale costs make up around half of both our gas and electricity bills, so further significant increases on household energy bills is envisaged in the coming weeks.

Consumer Council

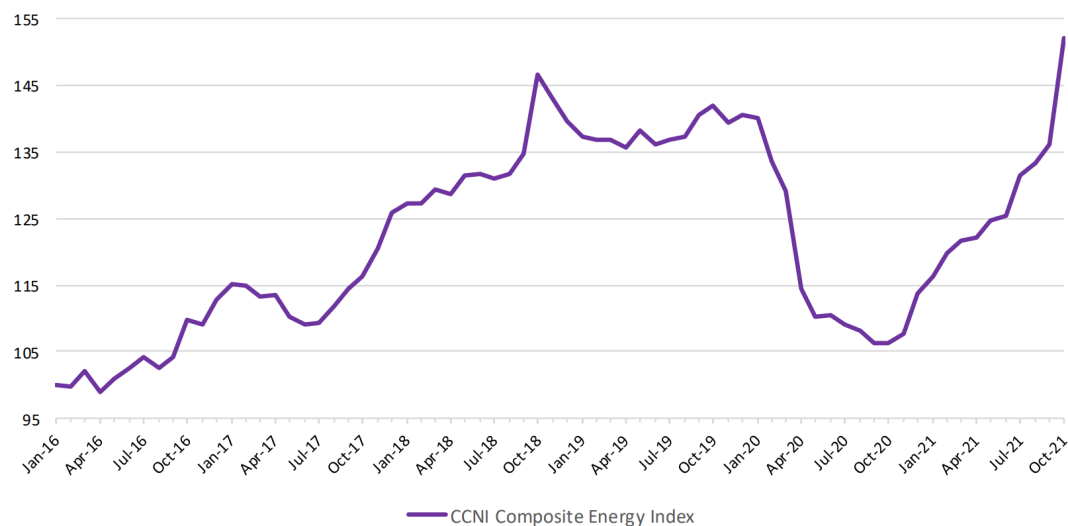
The Consumer Council's Home Energy Index tracks changes in household gas, electricity and home heating oil prices in Northern Ireland. A composite index is calculated, meaning that all three energy prices are combined to create one overarching figure which uses appropriate weighting to reflect usage and market share²².

²¹ https://www.uregni.gov.uk/files/uregni/documents/2021-10/ur-newletter_oct21-28.10.21.pdf

²² <https://www.consumercouncil.org.uk/sites/default/files/2021-10/Home%20Energy%20Index%20-%20September%202021%20-%20Bulletin-converted.pdf>

In October 2021, the Consumer Council reported that over the last 5 years (since January 2016), Northern Ireland’s Home Energy Index (HEI) has increased by 52.05 to an historical high. At the end of October 2021 the composite Home Energy Index was 152.05. From September 2021 to October 2021 the index rose by 15.99 points which is the largest monthly rise since the index began by a significant margin. This reflects substantial price increases for all types of energy. See figure 3.

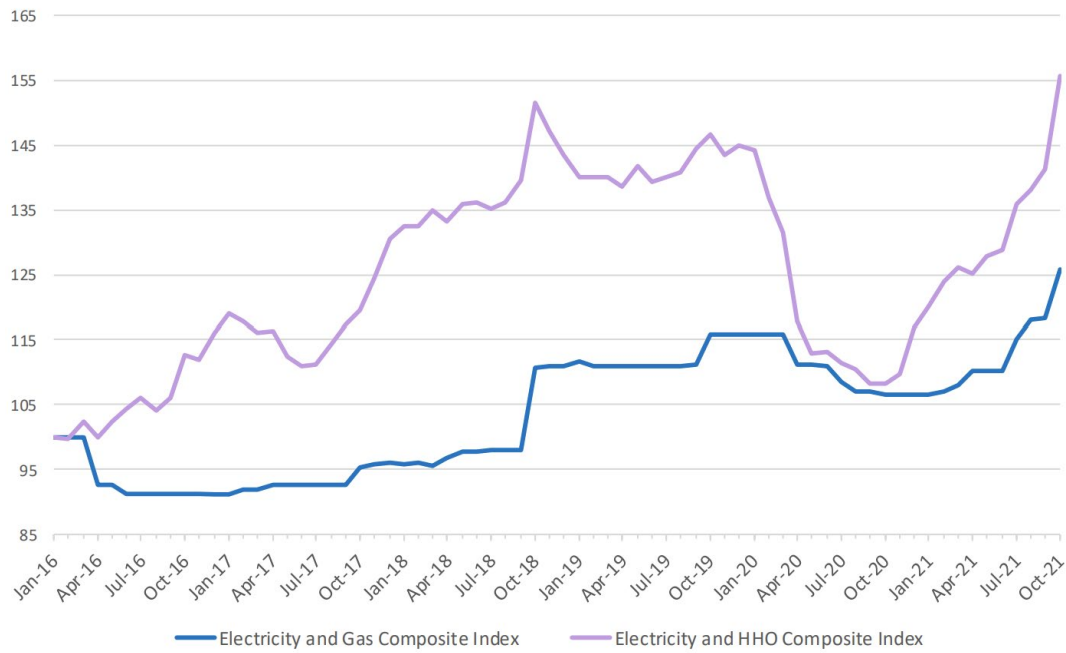
Figure 3. Northern Ireland’s Composite Home Energy Index (HEI) has increased by 52.05 since Jan 2016 to an historical high. At the end of October 2021 the composite Home Energy Index was 152.05 driven by the substantial increase in price of all types of energy.



Source: [Home Energy Index \(Consumer Council, October 2021\)](#)

The Consumer Council undertook a further analysis, separating the composite index (Figure 3) into two separated variables – (a) representing the energy costs of households using electricity and gas, and (b) the energy costs of households using electricity and home heating oil. See Figure 4.

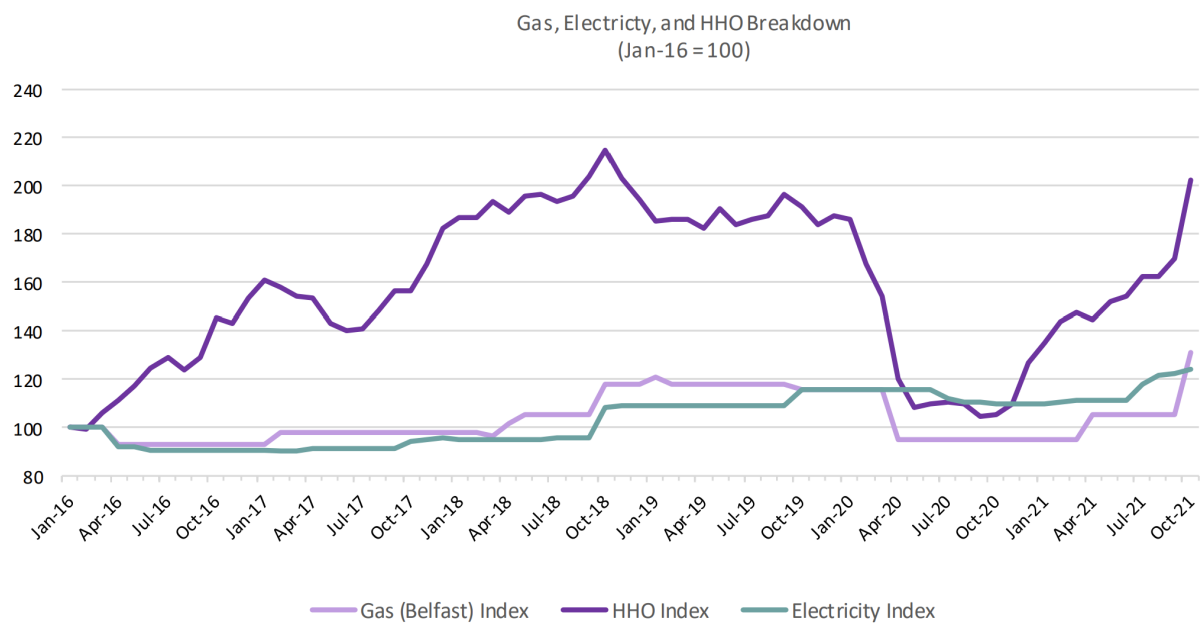
Figure 4. Home Energy Index for (a) Electricity and Gas and (b) Electricity and Home Heating Oil for Northern Ireland (January 2016 to October 2021).



Source: [Home Energy Index \(Consumer Council, October 2021\)](#)

The index is further broken down into each individual fuel type. See Figure 5.

Figure 5. Gas, electricity and home heating oil (HHO) indices for Northern Ireland (January 2016-October 2021)



Source: [Home Energy Index \(Consumer Council, October 2021\)](#)

Inflation

The Office for National Statistics noted that the rate of Consumer Prices Index (CPI) inflation rose sharply from 3.1% in September 2021 to 4.2% in October 2021 – the highest level since December 2011 - a larger increase than expected²³.

Fuel poverty estimates November 2021

The Northern Ireland Fuel Price Ready Reckoner for Fuel Poverty²⁴ (October 2018), commissioned by the Northern Ireland Housing Executive is based on the data collated from the latest Northern Ireland House Condition Survey conducted in 2016.

It reports that, based on the scenario analysis:

“broadly speaking, a 10% <annual> rise in all fuel prices implies a rise in the annual figures of 44,000 households in fuel poverty”

In appendix 1, a range of scenarios is presented based on changes to fuel price:

Figure 6. Two tables showing the number and percentage of households estimated to be in fuel poverty due to increased fuel prices across several scenarios.

Table A1 – Number of households (thousands) in fuel poverty for various fuel price scenarios with 2016 as a base figure (742,000 households in total)

Number of Households Fuel Poor in Northern Ireland (thousands)									
Change in Price (%)		-25%	-10%	-5%	BASE	5%	10%	25%	50%
Fuel Type	Mains Gas	153	158	159	160	161	163	170	178
	Electricity	121	145	154	160	172	181	214	273
	Solid Fuel	157	158	159	160	160	161	167	171
	Oil	112	140	154	160	171	181	213	262
	All above	73	118	141	160	186	208	281	387

Table A2 – Percentage of households in fuel poverty in Northern Ireland for various fuel price scenarios with 2016 as a base figure

Percentage of Households Fuel Poor in Northern Ireland									
Change in Price (%)		-25%	-10%	-5%	BASE	5%	10%	25%	50%
Fuel Type	Mains Gas	20.6	21.3	21.4	21.5	21.7	21.9	22.9	24
	Electricity	16.3	19.6	20.7	21.5	23.2	24.4	28.8	36.7
	Solid Fuel	21.1	21.3	21.4	21.5	21.6	21.7	22.4	23
	Oil	15.1	18.8	20.7	21.5	23.1	24.4	28.6	35.4
	All above	9.8	15.9	19	21.5	25.1	28	37.9	52.1

Source: [Northern Ireland Fuel Price Ready Reckoner for Fuel Poverty, October 2018](#)

²³<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/october2021>

²⁴<https://www.nihe.gov.uk/Documents/Research/HCS-2016-Additional-Reports/Northern-Ireland-fuel-price-ready-reckoner-for-fue.aspx>

The Consumer Council's Composite Home Energy Index rose from 2016 to a high in 2018 before dropping back in 2019 and then falling significantly during 2020 to its current peak at over 150 – the second highest on record. Since March 2021, all fuel prices have seen significant increases: electricity up to 66%, gas up to 91%, oil has almost doubled in price since October 2020. The Utility Regulator has indicated that prices will continue to increase into 2022.

Supplier price data collated by the Consumer Council shows prices are now 15% higher than 2016 levels. Using scenarios above, this could place the percentage of households in fuel poverty at **over 30%**

4.5.3 Energy consumption, energy efficiency of the dwelling and available practical help

The Cost of Poor Housing in Northern Ireland Report 2016²⁵ (published October 2018) estimated that the total number of dwellings with a Category 1 hazard (poor housing) due to excess cold was 16,029 (or 2.1% of dwellings).

Unsurprisingly, the oldest dwellings built before 1919 had the highest proportion of Category 1 hazards at 27%. There was a much higher proportion of category 1 hazards among owner occupied (10%) and private rented homes (9%) compared with public sector homes (4%).

The estimated average cost in 2016 for remedial work to address excess cold was £4,145 per dwelling which would have amounted to a total cost of £66.4m – the largest total cost of all remedial work by almost £30m).

For dwellings with damp and mould growth the cost was £20,572 per dwelling (£32m total). The report estimated that taking remedial action to address excess cold in dwellings could save our health service almost £15m per annum and therefore pay for itself in approximately 4 years.

A range of initiatives exist to reduce the effects of excess cold in dwellings and domestic energy efficiency:

The Affordable Warmth Scheme

The Department for Communities work with local Councils to deliver the Scheme throughout Northern Ireland. The Affordable Warmth Scheme²⁶ addresses the effects of fuel poverty and energy inefficiency. The scheme is directed at low-income households and targeted at those areas where levels of fuel poverty are highest. Only households within the targeted areas will be contacted by their local council, though some self-referrals are permitted in certain circumstances.

²⁵ <https://www.nihe.gov.uk/Documents/Research/HCS-2016-Additional-Reports/The-cost-of-poor-housing-in-Northern-Ireland-2016.aspx>

²⁶ <https://www.nihe.gov.uk/Housing-Help/Affordable-Warmth-Boiler-Replacement/Affordable-Warmth-Scheme>

It may be available to persons who are: living in NI, own and occupy their property as their main home, have their day/life interest in the house, rent from a private landlord, and have a total annual gross income of less than £23,000. It is not available for tenants living in social housing.

The Scheme provides grant aid to improve energy efficiency measures within the home. Measures provided include:

- Priority 1: Insulation, ventilation and draught-proofing
- Priority 2: Central Heating – replacing solid fuel, LPG, economy 7, broken or inefficient heating
- Priority 3: Windows – replacement of single glazing or defective double glazing
- Priority 4: Solid wall insulation

The scheme improved 2,594 homes in 2019/20²⁷. Available figures at the end of January 2021²⁸ show that from 1 April to 30 November 2020, the Affordable Warmth Scheme (run by the NIHE in collaboration with district councils) grant aided £3.0m to allow 792 homes to be improved (Covid-19 restrictions on home visiting has impacted the number of homes assisted). These interventions have resulted in improvements to the physical and mental well-being of all members of those households (including children), who have availed of the scheme.

Since the COVID-19 lockdown, it has been reported that there has been a build-up of applications, but urgent applications will be prioritised.

Northern Ireland Sustainable Energy Programme (NISEP)

The NISEP is a customer funded programme which provides energy efficiency measures to home owners and private tenants²⁹. The programme runs on a financial year basis and funding is limited and awarded on a first come, first served basis. It is means tested and eligibility is based on income bands depending on applicant circumstances. For householders above the income limits, cash-back schemes are available which offer discounts on insulation measures. The full list of available schemes can be found at www.uregni.gov.uk/news-centre/nisep-schemes-published.

Boiler Replacement Allowance

Funded by the Department for Communities and administered by the Northern Ireland Housing Executive, the scheme is open to owner-occupiers whose gross household income is less than £40,000 and who have an inefficient boiler at least 15 years old³⁰. A grant of up to £1,000 towards the cost of a new efficient is available. Applicants need to pay the rest of the cost themselves.

²⁷ <https://www.communities-ni.gov.uk/system/files/publications/communities/ni-housing-stats-19-20-full-copy.pdf>

²⁸ <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/dfc-child-poverty-annual-report-2020-2021.pdf>

²⁹ <https://www.nea.org.uk/wp-content/uploads/2021/11/Fuel-Poverty-Action-Guide-Edition-3-October-2021.pdf>

³⁰ <https://www.nidirect.gov.uk/articles/grant-replace-your-boiler>

Tenants of Housing Associations

Housing Associations operate their own maintenance schemes which will at times upgrade heating and insulation. Designated officers may be available within the association to provide energy advice. NISEP includes schemes for Housing Associations.

Tenants of the Northern Ireland Housing Executive

A designated team provides energy efficiency measures to NIHE stock, including upgrades to heating systems, insulation and window replacement.

Support to Maximise Income

Householders can contact a government agency or local advice centre to ensure that they are receiving their full benefit entitlement e.g. Northern Ireland Pension Centre, Jobs and Benefits Offices, Make the Call (freephone helpline which provides benefits advice), and Advice NI.

Cold Weather Payments

Payments of £25 for any qualifying week (7 consecutive days during which the average daily temperature is 0°C) are paid automatically to people on certain means tested benefits, who have a disability or pension related premium or a child under 5.

Winter Fuel Payments

An annual payment between £100-300 is made to those who have reached state pension age. Payments are made automatically between November and December to recipients of State Pension or another Social Security Benefit.

5. Need: a Northern Ireland fuel bank

In this section, we consider the key findings from the high-level assessment of fuel poverty in Northern Ireland (see section 4) to determine the need for a fuel bank in Northern Ireland.

5.1 Key findings: high-level assessment of fuel poverty in NI

- The number of households in fuel poverty may have risen as high as 241,800 (31%) in 2021 from 160,000 in 2016 (22%) due to an estimated annual (2021) increase in fuel costs of approximately 15% compared to 2016 levels³¹. This is the highest level of fuel poverty seen in Northern Ireland in the last decade

³¹ Based on scenarios published in the [Northern Ireland Fuel Price Ready Reckoner for Fuel Poverty, October 2018](#)

- 1 in 5 jobs (170,000) in Northern Ireland are 'low-paid' earning £9.40 per hour or less³². This is the highest in the UK, though the lowest proportion in Northern Ireland in 20 years. Low pay is prevalent to sales and service occupations and elementary occupations, and disproportionately affects part-time workers (36%), the majority of whom are women (79%)
- On initial data, the end of the Coronavirus Job Retention Scheme on 30th September 2021 has had little overall impact on October 2021's claimant count which decreased from September 2021, and the number of proposed collective redundancies remained low throughout September, October and the first half of November
- The number of Universal Credit Claimants almost doubled between February and July 2020 when the government introduced COVID-19 restrictions. The number of claimants has remained consistently high - of the 134,070 claimants in May 2021, 48,300 were searching for or preparing/planning to work and 37,800 were working. In October 2021, the number of claimants who claimed Jobseekers Allowance and Universal Credit principally for the reason of being unemployed decreased slightly to 47,000 which is 54% higher than the pre-pandemic count in March 2020
- The £20 per week temporary increase to Universal Credit due to the impact of the COVID-19 pandemic ended in October 2021, impacting over 44,000 households with children (83,930 children). The £100 Spend Local vouchers issued by the Department for the Economy to approximately 1.436 million applicants in October / November 2021 will likely have absorbed some of the impact of this cut for the time being, however the Minister for the Department for Communities has urged the UK government to retain the uplift
- The geographic spread of the Universal Credit Claimants by Jobs and Benefits Office reported in May 2021 broadly corresponds to the 100 most deprived Super Output Areas reported in the Multiple Deprivation Measure 2017. The highest number of claimants (by Jobs and Benefits Office) being Foyle and Belfast (comprising North Belfast, Knockbreda, Andersonstown, Falls Road, Shankill)
- Oil remains the largest source of heating - 68% in NI, followed by gas at 24%, and 8% other sources. Oil prices have spiked to levels not seen since 2018 with an average price of £175 for 300 litres in November 2021, compared to £100 in the same period last year - a 75% increase. Since March 2021, electricity and gas prices have increased by an average of 32% and 53% respectively – a yearly increase of up to £452 on electricity and £528 on gas for those worst affected. The Utility Regulator has warned that unparalleled rises in global whole gas markets will drive further increases to electricity and gas bills during winter 2021. It expects to see continued upward pressure on bills until summer 2022
- The Consumer Council has reported an historic high of 152.05 on its composite Home Energy Index at the end of October 2021, and the largest monthly increase since the index began (in 2016) between September 2021 to October 2021. This reflects the substantial price increases in electricity, gas and home heating oil. According to the Home Energy Index, consumers are now paying the highest electricity and gas prices since the index began

³² Source: [Employee Earnings in Northern Ireland, NISRA, October 2021](#)

- Inflation rose sharply from 3.1% in September 2021 to 4.2% in October 2021, the highest rate in almost 10 years increasing the cost of living and placing further financial strain on those living in fuel poverty
- Whilst a range of energy efficiency schemes are available to a limited number of people living in fuel poverty in Northern Ireland, they are not currently funded to cope with the demand of the increased number of households living in fuel poverty driven by unprecedented rises home energy costs

In considering all of the above key findings, there is a clear need to introduce a fuel bank scheme to Northern Ireland. Fuel banks have existed in the rest of the UK since their introduction in 2016.

6. Proposed fuel bank delivery options

In this section, a range of fuel crisis support delivery options are described and the perceived advantages and disadvantages considered in order to identify a recommended optimum delivery model. The options considered are based on five different models of fuel crisis support delivered in different geographic areas across the UK.

Five models of fuel crisis support delivered across the UK

Model A: Warm Well Connected (Warm element)

Status: Inactive (commenced 11th December 2020 and ended 31st March 2021)

Funded by the Department for Communities (DfC), the “Warm” element of this initiative was an emergency short-term response co-designed between DfC and the Voluntary and Community sector within a 2-3 week period. It was a crisis response which helped people across Northern Ireland who were negatively impacted by COVID-19 and in acute and emergency fuel poverty with £750,000 worth of immediate support for fuel during winter 2020/21, particularly over the Christmas and New Year period. It was delivered by Bryson Care (who had successfully undertaken a programme similar in nature during the first lockdown in March 2020) and Advice NI (who were already funded by DfC to deliver the COVID-19 Helpline).

Model B: Fuel Bank

Status: Active (since 2015)

Fuel Bank is described as “an effective blend of trusted referral partners, local support workers, meaningful energy advice, and quick cash to meter helpⁱ”. It provides emergency heat and light to families when their prepayment gas and electricity meters have run out of credit. It is currently available in 135 participating foodbanks and advice agencies across Great Britain (and now in Northern Ireland on a smaller scale) and provides a top-up voucher that provides approximately two weeks’ worth of fuel to clients who use a prepayment meter to

heat their home and to cook with, and who have been deemed as in ‘crisis need’ by an independent referrer.

Model C: Heat Fund

Status: Active (since March 2021)

Delivered by the Fuel Bank Foundation in partnership with the Scottish Government, this scheme provides financial support for households in remote or rural Scottish locations reliant on oil and solid fuel. The scheme will begin operating in England and Wales from December 2021.

Model D: Act on Energy (West Midlands Fuel Voucher Scheme)

Status: Active (since August 2020)

Delivered by Act on Energy, this is a discretionary scheme available to qualifying households who have a prepayment meter and live in Birmingham, Coventry and Solihull.

Model E: Care Network Emergency Credit Fuel Vouchers for pre-payment meters

Status: Active (since September 2020)

Care Network is the Home Improvement Agency in Blackburn with Darwen. The charity works to ensure that people are well, their homes are warm and safe, and the community is connected to support that is available to help them.

In the following sub-sections, each model is described in further detail (available support; application/referral pathway; eligibility criteria and reach; distribution method; delivery timescales; validation and quality assurance mechanisms) alongside the perceived advantages and disadvantages.

6.1 Available Support

Model	Available Support	Perceived Advantages/ Disadvantages
A: Warm Well Connected (Warm Element)	<p>Support / value: Direct supply of</p> <ol style="list-style-type: none"> 1. Home Heating Oil (300 litres) 2. Gas (£49) 3. Electricity (£50) <p>Frequency: One-off</p>	Catered for the majority of NI home energy types, including those customers on Direct Debit.

Model	Available Support	Perceived Advantages/ Disadvantages
B: Fuel Bank	<p><u>Support / value:</u> Voucher for use with gas or electricity pre-payment meters:</p> <ol style="list-style-type: none"> 1. Gas / Electricity or Both (£49 in winter months) <p>3rd party referrer will also identify additional help for applicant (e.g. benefits entitlement checks, debt advice, money/household management support, energy efficiency measures)</p> <p><u>Frequency:</u> Maximum of 3 vouchers issued in a 6-month period.</p>	Does not provide for customers who are on Direct Debit and does not cover oil which heats 68% of homes in NI.
C: Fuel Bank Heat Fund	<p><u>Support / value:</u> The quantity which the applicant can safely store up to maximum of:</p> <ol style="list-style-type: none"> 1. 1,000 litres heating oil 2. 1,000 litres bulk LPG 3. 2 x 47kg propane 4. 6 x 15kg butane 5. 2 x cubic metres dried logs 6. 5 x 50kg sacks of coal <p><u>Frequency:</u> Determined on a case-by-case basis, based on the client's capacity to store their choice of fuel.</p>	Generous amounts of solid fuels which can be expensive and volatile in terms of price, particularly 1,000 litres of oil.
D: Act on Energy (West Midlands Fuel Voucher Scheme)	<p><u>Support / value:</u> Voucher for use with gas or electricity prepayment meters:</p> <ol style="list-style-type: none"> 1. Single occupancy households (£28) 2. Couples or families (£49) <p><u>Frequency:</u> Maximum of 3 vouchers per household, but only once every 30 days.</p>	Different rates for single occupancy and couples/families which recognises that larger households use more fuel. Only accessible to households with a prepayment meter. Does not provide for customers who are on Direct Debit and does not cover oil which heats 68% of homes in NI.
E: Care Network	<p><u>Support / value:</u> Voucher for use with gas or electricity prepayment meters:</p> <ol style="list-style-type: none"> 1. Individuals and couples (£28) 2. Families (£49) 	Different rates for single occupancy/couples and families which recognises that larger households use more fuel .

Model	Available Support	Perceived Advantages/ Disadvantages
	<p>Frequency: Unspecified.</p>	<p>Only accessible to households with a prepayment meter Does not provide for customers who are on Direct Debit and does not cover oil which heats 68% of homes in NI.</p>

6.2 Application / Referral Pathway

Model	Application / Referral Pathway	Perceived Advantages / Disadvantages
A: Warm Well Connected (Warm Element)	<p>Source: Community partners and advice workers identified people in urgent need who could then self-refer via the COVID-19 helpline facilitated by Advice NI and its member organisations.</p> <p>Method: Telephone - via the Department for Communities funded COVID-19 telephone helpline delivered by Advice NI</p>	<p>Initiative was widely accessible, however lines were particularly busy at peak times during the scheme (over 15,000 calls received in one day at its peak) which impacted service delivery at busier intervals.</p>
B: Fuel Bank	<p>Source: 3rd party referral via a Fuel Bank partner e.g. participating foodbanks and advice agencies, local authorities, housing associations, local debt support charities, and community groups. Referrer establishes that the client has ran out of (or is likely to run out of) credit on their prepayment meter.</p> <p>Method: Applications submitted via an app provided by Fuel Bank.</p>	<p>This approach could prove to be challenging if supporting significant volumes of people over winter 2021/22 (e.g. 50,000) and would put an extra strain on participant organisations.</p>
C: Fuel Bank Heat Fund	<p>Source: 3rd party referral via Fuel Bank partners e.g. participating foodbanks and advice agencies.</p> <p>Method: Application forms submitted via secure email.</p>	<p>This approach could prove to be challenging if supporting significant volumes of people over winter 2021/22 (e.g. 50,000) and would put an extra strain on participant organisations.</p>

Model	Application / Referral Pathway	Perceived Advantages / Disadvantages
D: Act on Energy (West Midlands Fuel Voucher Scheme)	<p>Source: Referrals were accepted only from “professional referrers”, however due to the high volume of fraudulent claims only self-referrals are accepted.</p> <p>Method: Online form hosted on website.</p>	In this instance, referrals from “professional referrers” resulted in a high volume of fraudulent claims an impacted service delivery, which led to the implementation of an online self-referral form.
E: Care Network	<p>Source: 3rd party referral via “professional referral” only.</p> <p>Method: Application forms submitted via email.</p>	No definition of “professional referral”, however this approach could prove to be challenging if supporting significant volumes of people over winter 2021/22 (e.g. 50,000) and would put an extra strain on participant organisations.

6.3 Eligibility Criteria & Reach

Model	Eligibility Criteria & Reach	Perceived Advantages / Disadvantages
A: Warm Well Connected (Warm Element)	<p>Eligibility: Emergency fuel for “at risk” people who were negatively impacted by COVID-19 during the winter, Christmas and New Year period.</p> <p>Target Groups:</p> <ul style="list-style-type: none"> • Children and Young People; Older People, particularly those living alone • People Living with Disability and their Carers • Anyone who has <u>lost income</u> as a direct result of the pandemic • Clinically extremely vulnerable (previously shielding) • People from Black and Minority Ethnic communities <p>Criteria 1 Applicant’s need for assistance has <u>arisen as a direct result of the pandemic</u> due to:</p>	This scheme was open to a list of ‘at risk’ target groups of people negatively impacted by COVID-19 and in need of emergency fuel. The Department for Communities completed validation checks on successful applications.

Model	Eligibility Criteria & Reach	Perceived Advantages / Disadvantages
	<p>1. Job loss; 2. Reduction in income due to furlough, reduced working hours, or due to the pandemic; 3. Claiming benefits for the first time and suffering financial hardship; 4. Tested positive for COVID-19 and struggling with symptoms, or identified as a close contact; 5. Voluntarily self-isolating as clinically extremely vulnerable (previously shielding)</p> <p><u>Criteria 2</u> Applicant is <u>struggling to afford their fuel costs</u>. Evidence given by the applicant may include: a. Increased cost of fuel bills due to increased usage; b. In arrears/debt with fuel bills; c. Cutting back/rationing energy use to save money; d. Financial stress/rationing in other areas to pay fuel bills</p> <p><u>Criteria 3</u> From 25 January 2020, the household MUST demonstrate that if they meet the benefit related criteria for (or have already received) a DfC Covid-19 Heating Payment (£200 payment, payable in last week of January 2021) why they still need assistance</p> <p><u>Reach:</u> Available across Northern Ireland. Supported over 20,000 people against a target of 12,000 people.</p>	
B: Fuel Bank	<p><u>Eligibility:</u> Applicants are eligible if they are “living in fuel crisis”. Fuel Bank partners determine if an applicant is eligible based on their knowledge of the applicant.</p> <p><u>Reach:</u> 135 Fuel Bank centres operate across England, Scotland and Wales. It now operates on a small scale in Northern Ireland through existing English, Scottish and Welsh partners who also have a</p>	<p>Clearly defined eligibility criteria is key in a large scale emergency response (e.g. 50,000 people) to ensure that those who need the support get the support. This approach could prove challenging.</p>

Model	Eligibility Criteria & Reach	Perceived Advantages / Disadvantages
	presence in NI. 500,000+ people have received help since it was established in 2015.	
C: Fuel Bank Heat Fund	<p><u>Eligibility:</u> To ensure eligibility Fuel Bank Partners must confirm that the household:</p> <ul style="list-style-type: none"> • relies on coal, wood, heating oil or LPG as the primary source of heat • is off the gas grid and doesn't use electricity as the primary source of heating • is located in Scotland • and is either: <ul style="list-style-type: none"> ○ living without heat because they are unable to afford to purchase fuel to top up their bunker, store, tank or bottles ○ or imminently in risk of living without heat because they are unable to afford to purchase bulk fuel (imminently means within seven days) <p><u>Reach:</u> From March 2021 Heat Fund has operated in Scotland in partnership with the Scottish Government administered at 25 Fuel Bank Centres across Scotland. From December 2021, Heat Fund will begin accepting referrals through trusted third parties in England and Wales.</p>	The eligibility criteria is broad which could result in demand exceeding resources in an NI based emergency initiative.
D: Act on Energy (West Midlands Fuel Voucher Scheme)	<p><u>Eligibility:</u> Applicants must:</p> <ul style="list-style-type: none"> • Have a gas / electricity prepayment meter • Live in Birmingham, Coventry and Solihull • Be in receipt of: <ul style="list-style-type: none"> ○ Income Support ○ Income-based Jobseeker's Allowance ○ Income-related Employment and Support Allowance (ESA) ○ Universal Credit <p>OR</p> <ul style="list-style-type: none"> ○ Have a gross annual household income of less than £16,190 and having been recently made redundant / furloughed ○ Self- employed and income is unpredictable and/or are waiting to apply for a Government payment 	Similar criteria could be used in an NI emergency initiative, though it would also need to include applicants who pay their bills by direct debit.

Model	Eligibility Criteria & Reach	Perceived Advantages / Disadvantages
	<ul style="list-style-type: none"> ○ Any direct referral from a foodbank – must be accompanied by supporting evidence <p>Reach: Localised to residents in Birmingham, Coventry and Solihull in the West Midlands, England.</p>	
E: Care Network	<p>Eligibility: Must be resident in Blackburn with Darwen and:</p> <ul style="list-style-type: none"> • have an electricity or gas pre-payment meter; and • are not able to afford to purchase a top-up for gas and/ or electricity; and • have been affected by the COVID-19 pandemic, due to; <ul style="list-style-type: none"> ○ a loss of income or ○ increased fuel usage due to more time at home or ○ experiencing increased vulnerability due to the virus and/ or its wider economic or social impacts. • This scheme is not suitable for anyone with fuel debt in excess of the voucher amount. <p>Reach Localised to residents of Blackburn with Darwen Borough Council area in Lancashire, North West England</p>	This criteria would not be sufficient in a large scale NI emergency initiative.

6.4 Distribution Method & Delivery Timescale

Model	Distribution Method & Delivery Timescale	Perceived Advantages / Disadvantages
A: Warm Well Connected (Warm Element)	<ul style="list-style-type: none"> • Home Heating Oil – order placed directly with a supplier and delivered to applicant's address (<u><1.5 working days on average</u>) • Gas – order placed directly with applicant's supplier. Top-up code issued to applicant (<u>1.1 working days on average</u>) • Electricity – order placed directly with applicant's supplier (<u><1 working day on average</u>) 	Fast response times and secure delivery methods.

Model	Distribution Method & Delivery Timescale	Perceived Advantages / Disadvantages
	'Red flagged' referrals, where any delay in processing could cause harm, were expedited.	
B: Fuel Bank	A voucher code is issued via SMS text message, email or in-person (client's choice) to be claimed by the applicant at either a retailer with Paypoint or a Post Office with Payzone (<u>within 24hrs on working days</u>)	Fast response times and delivery methods.
C: Fuel Bank Heat Fund	Applications are processed within 2 days, and the supplier is contacted to arrange payment. A delivery is then scheduled by the 3 rd party referral agent / applicant and delivered to the applicant's address when the supplier is available.	Slower response times compared with Warm Well Connected.
D: Act on Energy (West Midlands Fuel Voucher Scheme)	A voucher code is issued via SMS text message to be claimed by the applicant at either a retailer with Paypoint or a Post Office with Payzone (<u>within 5 working days</u>) Applicants deemed extremely vulnerable will be prioritised.	Slower response times compared with Warm Well Connected.
E: Care Network	<ul style="list-style-type: none"> Care Network's Healthy Homes Officer will contact the applicant A fuel voucher code will be sent to the applicant (by text message or email) Applicant redeems their voucher code at their usual Paypoint or Payzone outlet using their pre-payment key or card <p>Timescales unspecified.</p>	This approach would not be efficient in dealing with a larger scale (50,000 people) response.

6.5 Validation & Quality Assurance

Model	Validation & Quality Assurance	Perceived Advantages / Disadvantages
A: Warm Well Connected (Warm Element)	<u>Criteria 1</u> Applicants MUST demonstrate (by self-declaration, supported by specific evidence, where required) that their need for assistance has <u>arisen as a direct result of the pandemic</u> . Evidence which can be provided (National	Good processes in place led to a successful initiative overall.

Model	Validation & Quality Assurance	Perceived Advantages / Disadvantages
	<p>Insurance Number; employer details; shielding notification letter)</p> <p><u>Criteria 2</u> The household MUST demonstrate (by self-declaration, supported by specific evidence, where required) that they are <u>struggling to afford their fuel costs</u>. Evidence given by the applicant may include</p> <ul style="list-style-type: none"> e. Increased cost of fuel bills due to increased usage; f. In arrears/debt with fuel bills; g. Cutting back/rationing energy use to save money; h. Financial stress/rationing in other areas to pay fuel bills <p><u>Criteria 3</u> From 25 January 2020, the household MUST demonstrate by self-declaration that if they meet the benefit related criteria for, or have already received a DfC Covid-19 Heating Payment (£200 payment, payable in last week of January 2021) why they still need assistance;</p> <ul style="list-style-type: none"> • Weekly fuel data cross-checked by DfC to identify potential issues, e.g. duplicate support; no eligibility criteria for request. All instances investigated for resolution and Lessons Learned Log maintained • Fuel Call Validation: DfC made calls to 5% of WWC recipients to check eligibility criteria had been correctly applied; there was a direct and emergency need due to the impact of the COVID-19 pandemic and fuel was delivered correctly within agreed timescales. 	
B: Fuel Bank	<p>Fuel Bank trust their 3rd party partners (e.g. participating foodbanks and advice agencies, local authorities, housing associations, local debt support charities, and community groups) to make appropriate referrals.</p> <p>Some validation takes place behind the scenes, for example if applicants have used other Fuel</p>	<p>Clearly defined eligibility criteria is key in a large scale emergency response to ensure that those who need the support get it. This approach could prove to be challenging.</p>

Model	Validation & Quality Assurance	Perceived Advantages / Disadvantages
	<p>Bank partners for support and checks against details the applicant has provided previously. Discrepancies are identified, though Fuel Bank note that these cases are not always misuse and can be an indication of greater need.</p>	
<p>C: Fuel Bank Heat Fund</p>	<p>To ascertain the applicant's current financial situation, referrers are required to provide:</p> <ul style="list-style-type: none"> • A copy of the applicant's most recent benefit statement <p>OR</p> <ul style="list-style-type: none"> • A copy of the applicant's latest bank statement <p>Referrers complete a declaration on behalf of the client to confirm:</p> <ul style="list-style-type: none"> • Consent to process (GDPR) • Accuracy of information • That the applicant does not have mains gas • Applicant will use fuel supplied for their own personal use only <p>Referrers are required to confirm by declaration that the applicant:</p> <ul style="list-style-type: none"> • Relies on coal, wood, heating oil or LPG as primary heat source • Is off the gas grid and doesn't use electricity as the primary source of heating • Is located in Scotland • And is either: <ul style="list-style-type: none"> ○ Living without heat because they are unable to afford to purchase fuel to top-up bunker, store, tank, or bottles ○ Imminently in risk of living without heat as they are unable to afford to purchase bulk fuel (imminently means within 7 days) 	<p>An element of means testing such as this is necessary in an emergency response initiative in NI, however the criteria is broad and could lead to demand exceeding resources.</p>
<p>D: Act on Energy (West Midlands Fuel Voucher Scheme)</p>	<p>On receipt, applications will be cross-checked on Act on Energy's systems for previous applications from the same name, address, phone number and email address.</p> <p>Evidence required to mitigate fraud:</p> <ul style="list-style-type: none"> • The following evidence should be sent depending upon your qualifying criteria: 	<p>Though an element of means testing is recommended, this could be considered excessive in nature and would prove to be time consuming in a large scale response.</p>

Model	Validation & Quality Assurance	Perceived Advantages / Disadvantages
	<ul style="list-style-type: none"> ○ Proof that a qualifying benefit is being received. For example, a screen shot of the applicant's online Universal Credit account showing their name and address or a photo or scanned copy of a recent DWP letter showing they are in receipt of a qualifying benefit ○ If the applicant is qualifying based on low income with no benefits – evidence of current account bank balances is required – this can be an online screen shot or a photograph of their bank statements (a full month is required in each case showing all income in/out for the household ○ Evidence of furlough – applicant should have written confirmation from their employer ○ Proof of address – a recent official letter showing applicant's name and address ○ Proof of applicant's energy supplier – a copy or screen shot of their online account including their name and address ○ If applicant is claiming for a family – proof that they are in receipt of Child Benefit <p>And in all cases:</p> <p>A photograph of their prepayment meter/s – where possible the image needs to be dated.</p>	
E: Care Network	<p>Applicants must provide:</p> <ul style="list-style-type: none"> • Their prepayment meter serial number • Evidence of how they have been impacted by the COVID-19 pandemic. The referrer is required to tick a box on the form to confirm they have seen and checked this evidence on behalf of the Care Network and attach any evidence that they or the applicant currently has to support the referral e.g. redundancy notice, confirmation of furlough, shielding letter <p>Examples of appropriate evidence may include:</p>	<p>Means testing income would be more appropriate in an NI emergency fuel response.</p>

Model	Validation & Quality Assurance	Perceived Advantages / Disadvantages
	<ul style="list-style-type: none"> • Letter from supplier or Top Up card confirming applicant has a prepayment meter and what the current credit/debit is (photographs are acceptable) • Letter /email from employer confirming furlough, redundancy or other change to wage/salary • Shielding letter or confirmation of disability/long term conditions impacted by COVID-19 • Evidence that the family qualifies for free school meals <p>Applicants will be contacted by the Care Network to complete their application and confirm eligibility for the scheme.</p>	

6.6 Optimum model

The number of households in fuel poverty may have risen to 241,800 (31%) in 2021 from 160,000 in 2016 (22%) due to an estimated annual (2021) increase in fuel costs of approximately 15% compared to 2016 levels³³. The Utility Regulator has indicated that energy prices are likely to rise again in winter 2021 and remain under upward pressure for the next 18-36 months.

During winter 2020/21 approximately 20,000 NI residents received £750,000 worth of emergency fuel support through the Department for Communities funded Warm Well Connected initiative due to the adverse impact of COVID-19. In January 2021, the Department for Communities issued a COVID-19 Heating Payment of £200 to approximately 220,000 older people and those in receipt of certain disability benefits at the highest rates totaling around £42.3m.

To support all households estimated to be in fuel poverty in 2021 with a £200 payment in winter 2021/22 could cost in the region of £70m including administration costs, which would be out of scope for a fuel bank scheme in Northern Ireland.

Instead, the fuel bank scheme for Northern Ireland, which must be ready to launch during winter 2021/22 (aligned to the original objectives of this research) should aim to provide a safety net to assist those in the greatest need who are in fuel crisis, and it should be delivered by a voluntary sector / non-profit / social enterprise organisation who have experience in this area.

³³ Based on scenarios published in the [Northern Ireland Fuel Price Ready Reckoner for Fuel Poverty, October 2018](#)

This section outlines the features of the optimum model for commencement and delivery during winter 2021/22. Following this period, the fuel bank in Northern Ireland should be sustained and levels of support and funding should be revised for summer 2022 onwards.

	Description	Rationale
Available Support	<p><u>Support / value:</u> For Winter 2021/22, the successful provider will arrange either:</p> <ul style="list-style-type: none"> • Oil - £100 credit with supplier • Gas - £98 • Electricity - £100 <p>And: Support to maximise applicant's income, reduce energy bills, and to access other available support.</p> <p><u>Frequency:</u> Once during winter 2021/22</p>	<p>68% of households in NI use home heating oil, however to remain equitable, all eligible households should receive a one-off £100 supply of fuel (£98 for gas which equates to two maximum top-ups of £49). This recognises the significant increases in gas and electric prices.</p>
Application / Referral Pathway	<p><u>Referral Source:</u> Self-referral. Applicants will be sign-posted by their energy suppliers and local government and community organisations (e.g. Healthy Living Centres, the advice sector etc.) for support</p> <p><u>Method:</u> 2-Stage online form accessible through the provider's website. At stage 1, applications will be triaged in real time based on the applicant's response to the eligibility criteria questions. If the applicant's response meets the eligibility criteria, they will move to stage 2 where they will complete the application form. If they do not meet the eligibility criteria, applicants will be notified in real time.</p> <p>Applicants who part-complete the form with their contact details and require assistance to finish it (e.g. where the form is incomplete) will be contacted via text message and sign-posted for assistance.</p> <p>A vulnerability matrix will be utilised. Based on the applicant's response to the questions, where the need is so urgent that any delay in receiving support could cause harm, the application will be 'red flagged' as</p>	<p>Use of an online form means the initiative will be widely accessible and communication can be tightly controlled. Access to the form can be immediately restricted when demand is high which will facilitate any weekly expenditure capping that may be necessary to ensure funding remains available until the end of the winter 2021/22 period.</p> <p>The referral methods and pathways will be monitored closely.</p>

	<p>urgent i.e. where the applicant has no/low (3 days or less) of their selected energy type <u>and</u> is receiving end of life care, <u>or</u> has a child/children under 4 years old, <u>or</u> where they are unable to be discharged from hospital as they have none of their selected energy type)</p> <p><u>Application Form Questions:</u> See appendix 1.</p>	
<p>Eligibility Criteria & Reach</p>	<p><u>Eligibility:</u> Income threshold: applicant must have a total annual gross income of less than £23,000 <u>OR</u> was recently made unemployed and is awaiting confirmation of benefit / first benefit payment <u>OR</u> their benefit has recently been interrupted <u>AND</u> Have ran out of their selected energy type <u>OR</u> Have 3 days or less worth of supply of their selected energy type</p> <p><u>Evidence:</u> To demonstrate they meet the eligibility criteria, applicants will be required to upload:</p> <ul style="list-style-type: none"> • their last 3 months bank statements <u>AND</u> • a photograph showing the amount of oil remaining in their tank <u>OR</u> their gas/electricity meter showing the amount of credits/£ remaining and the meter serial number • Where the applicant’s circumstances have recently changed e.g. job loss, interruption to benefit etc. they are required to upload evidence e.g. a recent letter from their previous employer or a letter confirming their benefit status <u>AND</u> a screenshot of their current bank balance <p><u>Reach:</u> During winter 2021/22, the scheme will support 50,000 people (20,000 households)</p>	<p>The income threshold is based on that of the Department for Communities Affordable Warmth Scheme which addresses the effects of fuel poverty and energy inefficiency. The eligibility criteria will be monitored closely and revised where necessary to ensure only those in fuel crisis are supported.</p> <p>20,000 people received help through Warm Well</p>

	<p>across Northern Ireland with a one-off top-up/credit of their selected energy type (e.g. up to 1,500 applications a week dependent on staff funding levels).</p> <p>5,000 of those households in the most extreme circumstances will receive support to maximise their income, reduce energy utility bills and to access other available support.</p>	<p>Connected in 2019/20. The fuel bank scheme proposes to support over double that amount in winter 2021/22 in recognition of the impact of rising fuel costs.</p>
<p>Distribution Method & Delivery Timescale</p>	<p>An average turnaround time should be 24-48hrs.</p> <ul style="list-style-type: none"> • Home Heating Oil – The provider will arrange a £100 credit with an oil supplier. The applicant will receive an ID code and the contact details of the oil supplier via text message and/or email. The applicant will then contact the supplier to arrange delivery at a convenient time • Gas – The provider will arrange for a top-up code to be issued to the applicant via text message or email • Electricity – the order be placed directly with applicant’s supplier and the applicant will receive their top-up code via their usual delivery method. <p>‘Red flagged’ referrals, where any delay in processing could cause harm, will be expedited as noted above.</p>	<p>Direct delivery to the applicant’s address mitigates the potential for misuse.</p>
<p>Validation & Quality Assurance</p>	<p>Validation checks will be undertaken on an agreed percentage of applications, dependent on the level of funding agreed, however 50% checks would be recommended.</p>	<p>Validation of eligibility will mitigate potential misuse, however 100% validation would be resource intensive for 20,000 applications.</p>
<p>Estimated Costing</p>	<p>Circa £2.5-3m.</p>	

Appendix 1. Proposed Application Questions

Stage 1 - Triage Questions:

T1 - Is your gross annual income less than £23,000? Yes / No (Yes – proceed to T5, No – proceed to T2)

T2 - Have you been made unemployed in last 8-weeks? Yes / No (Yes – proceed to T4, No – proceed to T3)

T3 - Have your benefits been interrupted recently? Yes / No (Yes – proceed to T5, No – proceed to T4)

T4 - Have you recently applied for a benefit and not yet received confirmation or your first payment? Yes / No (Yes – proceed to T5, No – terminate application and advise client of ineligibility and sign-post to other support)

T5 – Have you ran out of oil, gas or electricity or are you likely to do so within 3 days? (Yes – proceed to 1.1, No – terminate application and advise client of ineligibility and signpost to other support)

Stage 2 - Application Form

1.1 Name details

Title (Drop down Miss, Mrs, Ms, Mr)

Forename (Text box)

Surname (Text box)

1.2 Address details

Address Line 1 (Numbers / Text box)

Address Line 2 (Text box)

Address Line 3 (Text box)

Postcode (Text box No & Letters)

County (Drop down list)

City (Text box)

Council Area (Drop down list)

1.3 Contact Details

Telephone Number (Numbers only)

Email address (Number/Letters)

1.4 Household information

(a) Number of person (s) in the household? (Text boxes for numbers)

Under 5 years **

Under 18 years

Aged 18 – 39 years

Aged 40 – 59 years

Aged 60 years and over

(b) are you or is someone you live with in receipt of end-of-life care? (yes / no)

(c) are you or is someone you live awaiting discharge from hospital? (yes / no)

1.5 Household income

(a) What is the source of your household income

Salary / Wages (Text box)

Benefits (Text box)

Both (Text Box)

(b) What is your gross annual income? (currency)

1.6 What do you need support with? Select one:

- Gas
- Electricity
- Oil

1.7 Who is your supplier (gas / electric only)

1.8 What is your meter number (gas / electric only)

1.9 How many units/£ do you have left in your metre? (Gas/ Electric only)

2.0 How many litres of oil do you estimate you have left? (oil only)

2.1 Upload evidence:

- Last 3 months bank statements AND
- A photograph showing the amount of oil remaining in your tank OR your gas/electricity meter showing the amount of credits/£ remaining and the meter serial number

- Where your circumstances have recently changed e.g. job loss, interruption to benefit etc. upload evidence e.g. a recent letter from your previous employer or a letter confirming your benefit status AND a screenshot of your current bank balance

2.2 Supporting information

(a) How did you hear about the scheme? (list / other)

(b) If Other, please give the name of the organisation
