

**Low Income Housing**

**Programme Strategy  
2002 – 2006**

**Report prepared by:**

**Sustainable Energy Ireland**

## Contents

Executive Summary .....	3
1 Scope and focus .....	5
2 Introduction to Sustainable Energy Ireland.....	6
3 Policy context and background of fuel poverty in Ireland .....	7
4 Issues, opportunities and threats.....	11
6 Programme Management .....	23
Further Background to the 1996 Regional Pilot .....	26
Key employment and development organisations and relevant initiatives.....	27
Technical Considerations .....	32
Call For Proposals.....	35

## **Executive Summary**

### **Introduction**

The purpose of Sustainable Energy Ireland's Low Income Housing Programme is to assist with the establishment of a national plan of action to address fuel poverty in low-income households in Ireland.

This document proposes the strategy for the programme that has a designated budget of €7.62M over the period of the National Development Plan.

The strategy has been devised in line with Government policy statements and strategies including: Green Paper on Sustainable Energy; National Development Plan 2000-2006; National Anti Poverty Strategy (NAPS); and the National Climate Change Strategy.

### **Background to fuel poverty in Ireland**

Fuel poverty has four principal dimensions, namely household income, household priorities, energy efficiency and fuel price. The consequences of fuel poverty for low income households, in addition to poor comfort conditions can include poor physical/mental health, increased debt, and a decline in the physical state of their home.

Research into fuel poverty carried out for Sustainable Energy Ireland indicates that levels of fuel poverty in Ireland are among the highest in Northern Europe. However, activity to date aimed at addressing fuel poverty has not matched the scale of the problem.

### **Issues, opportunities and threats**

The main issues, opportunities and threats considered in formulating the programme strategy are as follows:

- The programme funding available is clearly insufficient to fully tackle the scale of the task and will need to be used creatively in order to maximise the benefits it can bring to low-income households;
- Local authorities, Health Boards and Government departments provide funding streams that could be complementary to and leveraged by the Authority's lines of activity. In particular, the requirements of the NAPS will focus the attentions of local authorities on the issue of fuel poverty;
- Sustainable Energy Ireland will need to ensure that the most appropriate and cost-effective technologies are applied in its approach to addressing fuel poverty, complemented with good quality energy advice that will enable householders to maximise the benefit of any measures installed;
- Several community-based organisations that install energy efficiency measures have been set up over the last decade. This sector is increasingly looking to the Government's Social Economy Programme to further its development and many organisations have been successful in applying for funding for energy related schemes. Working with organisations funded through the Social Economy Programme has many benefits and represents the synergistic use of funding from a variety of sources. However, at the present time there is insufficient capacity in the sector to service a national programme aimed at addressing fuel poverty;
- While many organisations are currently engaged in addressing fuel poverty in Ireland there is a need to bring together stakeholders at local, regional and national level to ensure a coherent and effective approach to addressing fuel poverty.

## **Work Programme**

The work programme seeks to identify the scope for synergy between the wide array of agencies in the low-income housing sector thereby assuring maximum benefit to recipient households and optimum value for money. It also seeks to broaden and deepen the range of measures being offered to help alleviate fuel poverty in a nationally co-ordinated plan. The key action lines of the programme are as follows:

- Sustainable Energy Ireland has commissioned Fitzpatrick Associates to undertake a situation review of fuel poverty in Ireland in order to identify the optimum use of the Authority's limited funds towards achieving specified targets and to make recommendations on the composition and content of the guidelines and fund disbursement plan;
- The Extended Funding Programme will provide funding to community-based organisations to install energy efficiency measures in the homes of low-income households. This will help develop the national capacity required to deliver the energy efficiency measures and the necessary geographical coverage. Over the period of the programme up to 18,000 low-income households will benefit from the improvements carried out to their homes;
- The Study of Extended Measures will test the potential of a broad range of energy efficiency technologies and service delivery mechanisms, informing the Extended Funding Programme as it develops;
- Funding will be available for further research as appropriate into emerging technologies, fuel poverty monitoring and innovative ideas that could help to address fuel poverty;
- An information and awareness-raising programme aimed at frontline staff from organisations that deal with low-income households will help disseminate energy advice to householders, making them more aware of the assistance that is available;
- In delivering all aspects of the programme, the Authority will seek to make use of existing partnership structures and where appropriate, facilitate the establishment of new partnerships that will assist stakeholders to address issues relating to fuel poverty in a coherent way.

# **1 Scope and focus**

- 1.1** The purpose of the Low Income Housing programme is to assist with the establishment of a national plan of action to address fuel poverty in low-income households in Ireland.
- 1.2** Fuel poverty has four principal dimensions, namely household income, household priorities, energy efficiency and fuel price. Sustainable Energy Ireland has been charged with a specific role and remit in relation to energy efficiency, with an advisory role in relation to the impacts of any trends in fuel prices, be they market or economic instrument induced.
- 1.3** The Authority's approach to fuel poverty is as part of an overall integrated approach that will endeavour to secure a step change in the energy efficiency performance of Ireland's housing stock, both existing and new. This will be achieved through the complementary activities of the Authority's various programmes including House of Tomorrow, Home Energy Rating, Consumer Awareness, Standards and Certification and specifically, the Low Income Housing programme.
- 1.4** This document proposes the strategy for Sustainable Energy Ireland's Low Income Housing programme, which has a budget of €7.62M designated from the National Development Plan over the period 2002-2006.
- 1.5** A key element of the strategy is a review of the current situation regarding fuel poverty and this is expected to inform future amendments to the strategy and government policy in this area.

## **2 Introduction to Sustainable Energy Ireland**

- 2.1** Sustainable Energy Ireland, the Sustainable Energy Authority of Ireland was established on May 1<sup>st</sup> 2002. Formerly the Irish Energy Centre, the Authority has been established as an independent statutory authority with an enlarged remit.
- 2.2** Sustainable Energy Ireland pursues, on behalf of Government, the policies laid out in three key publications:
- Green Paper on Sustainable Energy;
  - National Development Plan 2000-2006, in particular its Economic & Social Infrastructure Operational Programme (ESIOP);
  - National Climate Change Strategy, to meet Ireland's international commitment to limit greenhouse gas emissions to a 13% increase above the 1990 level by 2008-2012.
- 2.3** These policies represent a national response to commitments in particular in relation to:
- EU Action Plan on Energy Efficiency, which targets an overall improvement of 18% in energy performance by 2010.
  - EU White Paper on Renewable Sources of Energy, which seeks to double the share of renewables in the energy supply mix from 6.3% to 12.39%.
  - The Kyoto Protocol
- 2.4** The Authority promotes and assists environmentally and economically sustainable production, supply and use of energy across all sectors of the economy. Its remit relates mainly to improving energy efficiency, advancing the development and deployment of renewable sources of energy and combined heat & power, and reducing the environmental impact of energy production and use particularly by reducing greenhouse gas emissions.
- 2.5** The Authority works towards five main objectives:
- stimulating diverse, efficient, secure and competitive sources and systems of sustainable energy supply;
  - stimulating integrated, efficient and sustainable use of energy;
  - helping to reduce the environmental impact of energy production, supply and use, particularly reducing greenhouse gas emissions;
  - helping to stimulate the development of a competitive indigenous industry in the energy sector in order to meet the needs of home and overseas markets and provide employment; and
  - contributing to rural development by assisting the deployment of local energy supply.
- 2.6** The Authority is responsible for advising Government on policies and measures on sustainable energy, implementing programmes agreed by Government, and stimulating sustainable policies and actions by public bodies, the business sector, local communities and individual consumers. This includes programmes aimed at:
- assisting deployment of superior energy technologies in each sector as required;
  - raising awareness and providing information, advice and publicity on best practice;
  - stimulating research, development and demonstration (RD&D);
  - stimulating preparation of necessary standards and codes; and
  - publishing statistics and projections on sustainable energy and achievement of targets.
- 2.7** Under the National Development Plan, €185M of public funding has been committed to the activities of the Authority, of which €7.62M is designated for the Low Income Housing programme coordinated by it.

### **3 Policy context and background of fuel poverty in Ireland**

#### **The policy context**

**3.1** The nature of fuel poverty as a crosscutting issue has led to related policy appearing in various government strategies. In some cases the references are direct, in others implied.

**3.2** The Authority's remit relevant to fuel poverty as proposed in the Green Paper on Sustainable Energy is:

- to advise the Minister for Social, Community and Family Affairs and the Minister for Public Enterprise on fuel poverty programmes;
- to initiate cost-effective programmes designed to promote energy efficiency containing an appropriate mix of national and local endeavour – such measures would be carefully designed to complement and reinforce economic instruments targeted at energy consumption;
- to collaborate with and advise the Energy Regulator, on request, concerning the regulatory mandate to promote efficiency in the use of electricity and gas and other related aspects of that mandate; and
- to submit for approval of the Minister for Public Enterprise a multi-annual programme, which would be updated annually of energy efficiency measures based on any guidance given to the Agency by the Minister for Public Enterprise and in keeping with a national strategy for Climate Change abatement.

**3.3** Priorities relating to fuel poverty identified in the Green Paper include:

- a need to maintain and develop policies which address fuel poverty;
- a need to strengthen regulation of home insulation and regulation of private and public landlords to undertake insulation work; these measures should be supported by a building labelling scheme for pre-1980 houses changing hands;
- the strengthening of EU standards for appliances and appliance labelling.

**3.4** The National Development Plan requires there to be a special measure to encourage improvements in poorly insulated housing stock.

**3.5** The influencing principles drawn from the National Anti Poverty Strategy (NAPS), first published in 1997 and reviewed in 2001 include:

- ensuring equal access and encouraging participation for all;
- promoting the development of a partnership approach;
- actively involving social partners; and
- engaging in appropriate consultative processes, especially with the users of services.

The NAPS also proposes to:

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

The NAPS sets the following targets directly relating to fuel poverty:

- by end 2007 adequate heating systems will be available in all local authority rented dwellings provided for older people; and

- by 2010 adequate heating systems will be provided in all local authority rented dwellings.

**3.6** The National Climate Change Strategy highlights the following key requirements in ensuring a significant reduction in fuel poverty:

- narrowing the information gap;
- reducing the opportunity and transaction costs of investment in energy conservation;
- ensuring the availability of funds to those who need them most; and
- provision of the correct incentives to landlords and tenants to ensure investment.

**3.7** ‘Sustainable Development’ – A Strategy for Ireland, includes the following strategic aims and goals relating to fuel poverty:

- A well-managed environment sustains a healthy economy and a good quality of life; environmental, economic and social policies must be mutually supportive.
- Economic and social development cannot be to the detriment of environmental quality and must be within the limits set by nature; in particular, this must involve changes in production and consumption patterns.
- Government and other public authorities must work to improve and protect the environment for all generations, exercising leadership and fostering partnerships with economic and social groups.

## **Background to fuel poverty in Ireland**

**3.8** Fuel poverty has recently been defined as:

“The inability to heat the home to an adequate (safe and comfortable) temperature owing to low income and poor (energy inefficient) housing.” (Clinch & Healy 1999)

For the purpose of this strategy and in addressing the issue of fuel poverty as set out in the Green Paper on Sustainable Energy, the Authority will also be considering electricity usage for lighting and appliances.

Using this definition it is estimated that approximately 62,000 householders in Ireland are currently living in persistent (i.e. chronic or continuous) fuel poverty (Clinch & Healy). In addition a further 165,000 householders are experiencing intermittent (occasional) fuel poverty arising from changes in the cost of fuel and/or to their own circumstances.

**3.9** Some definitions have attempted to take account of other domestic fuel use such as for lighting, cooking, electrical appliances and hot water and it is the subject of an important ongoing debate as to whether a broader definition is more appropriate. Any change to the definition would obviously have implications for the estimate of householders currently living in fuel poverty.

**3.10** An appropriate methodology for measuring fuel poverty is currently being considered by the Authority as part of a situation review (see 3.24). The Authority is considering a consensual approach to measuring fuel poverty that takes account of a number of subjective and objective indicators of fuel poverty which are given different weightings in order to arrive at an estimate. The current estimate of householders living in fuel poverty, which in this report is based on the use of a subjective indicator thought to be a strong indicator of fuel poverty, may be adjusted accordingly.

**3.11** Fuel poverty arises from an interplay of factors including, low household income, poor dwelling energy efficiency, high fuel cost, the size of the household, the age of dwelling occupants, disability, the energy awareness and other priorities of dwelling occupants.

- 3.12** The consequences of fuel poverty for low-income households in addition to poor comfort conditions can include, poor mental/physical health, increased debt, and a decline in the physical state of their home.
- 3.13** Actions addressing the issue of fuel poverty in Ireland first emerged in the 1980's, initially by the government through the use of winter fuel allowances. The government at various times also offered grants for attic insulation and home improvements though these were not specifically aimed at alleviating fuel poverty and probably had a limited impact on fuel poor households.
- 3.14** Later in the same decade the Dublin based charity Energy Action was formed whose principal aim was to alleviate fuel poverty amongst the elderly and disadvantaged. Utilising the Social Employment Scheme and funding from a variety of sources, Energy Action embarked on the first scheme in Ireland to install energy efficiency measures into the homes of low-income householders and has continued to be the principal provider of this service, upgrading approximately 18,000 homes to date.
- 3.15** In 1995, in response to a call from the government, the Authority initiated a regional pilot scheme to support the development of community based organisations delivering energy efficiency services to low income households using Community Employment (CE) schemes (see Appendix 1 for a more comprehensive report).
- 3.16** Funded by FÁS and operated by community based organisations, the CE schemes, provided employment opportunities for the long-term unemployed who in this instance gave energy advice and installed measures such as attic insulation, draught proofing, a hot water cylinder jacket and low energy lamps into the homes of elderly and disabled people, on a low income (see Appendix 2 for further details of FÁS schemes).
- 3.17** The pilot scheme was established in 1996 and involved four groups from Tralee, Kilkenny, Waterford and Limerick.
- 3.18** Energy Action provided training and support to the groups and by the end of the pilot scheme in February 1997, 500 homes had been serviced and 55 people trained in insulation techniques and energy awareness.
- 3.19** Energy Action has continued its work installing energy efficiency measures into houses in Dublin with funding being provided by the Authority. It has also been involved in setting up other similar projects throughout Ireland with the assistance of funding from Area Development Management (ADM). In addition it continues to offer various training courses relating to energy efficiency.
- 3.20** In 1999, the Green Paper on Sustainable Energy was published targeting fuel poverty as an area for funding. The continued existence and relative persistence of fuel poverty despite an improving economic situation highlighted a need to address the problem in a co-ordinated way.
- 3.21** Also in 1999, a study commissioned by Energy Action and undertaken by the Energy Research Group of the University College Dublin was published entitled "Homes for the 21<sup>st</sup> Century". The study looked at issues relating to the entire housing stock with significant emphasis being given to the issues surrounding low-income housing.
- 3.22** Conclusions drawn in the report included, that levels of fuel poverty in Ireland were among the highest in Northern Europe, that Irish housing standards were comparatively low from the point of view of thermal efficiency, that the least well-off tended to live in the worst of these houses, and the share of income they devote to heating was three times higher than the expenditure share of the average household. It also concluded that excess morbidity and mortality in Ireland due to poor housing was amongst the highest in Europe.

## **The present**

- 3.23** The need for action to alleviate fuel poverty in Ireland is well established. The initial challenge is to establish a clear picture as to the extent of fuel poverty in Ireland, the extent and means by which the problem is being tackled, the opportunities to use any existing infrastructure and to begin to deliver programmes to alleviate the problem.
- 3.24** The Authority has accordingly commissioned Fitzpatrick Associates to carry out a review of the current situation including existing studies and reports in order to clearly establish: current levels of fuel poverty in Ireland; the likely impact of the introduction of fiscal measures to reduce carbon dioxide emissions; the identity of all the current stakeholders and the scale of their activities and funding structures in relation to fuel poverty. The Authority's main objective is to obtain an independent view together with recommendations as to how it could best contribute towards an integrated programme to alleviate fuel poverty involving all appropriate stakeholders. The review will also inform a future revision of this strategy (see Appendix 4, Call for Proposals). The study should be completed in the near future.

## **4 Issues, opportunities and threats**

The following section outlines the main issues, opportunities and threats considered in drawing together this programme strategy.

### **4.1 Issues, opportunities and threats - The availability of resources in relation to the scale of fuel poverty**

**4.1.1** Eradicating fuel poverty will be a major undertaking requiring considerable investment. With 62,000 households estimated to be experiencing persistent fuel poverty and many more intermittently affected, the €7.62m allocated for the Low Income Housing programme is clearly insufficient to tackle the scale of the task. The funding will need to be used creatively in order to maximise the benefits it can bring to low-income households.

**4.1.2** Alleviating fuel poverty amongst low-income households addresses the policy remits of several Government departments and recognition of this fact may result in further funding streams becoming available.

**4.1.3** Local authority programmes to upgrade their own properties provide funding streams that could be complementary to the Authority's lines of activity and help reduce fuel poverty amongst local authority householders.

**4.1.4** Funding opportunities may arise from the deregulation of the electricity supply industry. In some European countries the regulator has required that the private electricity suppliers must invest in schemes to improve the energy efficiency of housing. This has led to significant resources being made available for energy efficiency measures, particularly to low income households.

**4.1.5** In some countries energy service companies (ESCOs) have been formed that provide energy efficiency for customers through energy service contracts. Under such contracts, the supply of energy is linked to the provision of energy efficiency goods and services and the customer receives a single bill covering this package. ESCOs can make energy efficiency measures more affordable to low income households by spreading the initial capital cost of energy saving measures over a long period.

### **4.2 Issues, opportunities and threats - Technical considerations**

**4.2.1** Dwellings occupied by low-income households often lack thermal insulation and have expensive, inefficient heating and hot water provision. Cooking costs may be high due to lack of choice of appliance and energy source, and electrical appliances used are often inefficient compared with the best available. Lighting is usually through the use of conventional tungsten light bulbs rather than low energy lamps. To compound this, in many cases householders are not well informed regarding the efficient use of energy in the home and have insufficient capital to pay for improvements.

**4.2.2** The pursuit of energy efficiency opportunities can bring householders out of fuel poverty if dwellings are upgraded with an appropriate mix of measures. The measures that can be carried out to improve energy efficiency fall into the following categories:

- Insulation
- Heating and hot water provision
- Electrical Appliances
- Cooking

- Lighting

There is also a need to provide good quality energy advice to householders, without which, the benefits of the measures may be reduced. An overview of these measures is given in appendix 3.

**4.2.3** Given the limited resources currently available and the diverse nature of Ireland's housing stock, identifying the most cost-effective mix of measures that will bring householders out of fuel poverty is not a straightforward task. Further research is required to establish the level of energy efficiency at which households will be brought out of fuel poverty and the best mix of measures to install according to the circumstances. The concept of 'affordable warmth' addresses this issue and software to calculate the threshold at which a household is brought out of fuel poverty is already available in the UK. An Irish version of this tool could enhance efforts to eradicate fuel poverty.

**4.2.4** In the meantime, based on previous work in this area it is possible to make certain assumptions about the choice of energy efficiency measures that could cost-effectively begin to address fuel poverty:

- Attic and cavity wall insulation are both highly cost-effective and will contribute significantly towards increasing comfort and reducing fuel bills.
- Draught proofing is a simple, low cost method of improving comfort.
- A hot water cylinder jacket is inexpensive and easy to fit.
- Low energy lamps used selectively can significantly reduce lighting costs.
- Good energy advice can empower householders to reduce fuel bills through simple, no-cost actions.

**4.2.5** Many local authorities are engaged in installing energy efficiency measures and it would make sense to work closely with them. In particular, where central heating is being installed, there is an opportunity to install insulation measures at the same time. With adequate heating being required in all local authority dwellings by 2010 under the NAPS, there is a need to ensure that the dwellings are also adequately insulated.

**4.2.6** Adequate ventilation is required to reduce condensation and ensure a healthy living environment is maintained. This can be partly addressed through advice, however it is also a technical issue that will require further research in order to establish the most cost-effective option for ensuring adequate, energy efficient ventilation for dwellings occupied by low income households.

**4.2.7** Low income households are often required to pay the highest fuel prices and this particularly applies to those with prepayment meters. Recent advances in metering technology have the potential to make it easier for people to budget and make them more aware of the expense of using energy inefficient appliances, heat sources and poor insulation.

**4.2.8** New technologies and those becoming more economical may in time be able to make a contribution to addressing fuel poverty. For example, micro-CHP, new heating and insulation solutions and renewable energy technologies such as solar water heating may all contribute towards making dwellings occupied by low-income households cheaper to run.

### **4.3 Issues, opportunities and threats - Options for service provision:**

**4.3.1** Owing to the low incomes of householders living in fuel poverty, public funds will inevitably need to be used in order to bring about improvements to the energy efficiency of their homes. The envisaged fund disbursement programme will require a combination of organisations to install energy efficiency measures and managing agent(s).

## **To install energy efficiency measures**

- 4.3.2** Organisations in Ireland that install energy efficiency measures fall broadly into two categories:
- Organisations and companies that have their roots grounded firmly in the community sector, providing employment opportunities for the long term unemployed and home services to disadvantaged sections of the community.
  - Private sector companies that install energy efficiency measures on a purely commercial basis.
- 4.3.3** Several community-based organisations that install energy efficiency measures have emerged over the last decade. They are quite diverse in terms of method of operation, funding and technical focus, often providing a range of services to householders of which energy efficiency is just one component. They tend to provide opportunities for long term unemployed people through the utilisation of FÁS programmes such as Community Employment, the Jobs Initiative Scheme and the Social Economy Programme. Their focus is on delivering services to disadvantaged and needy sections of the community.
- 4.3.4** Community groups are increasingly looking to the Social Economy Programme to further their development and many have been successful in applying for funding for energy related schemes.
- 4.3.5** The aim of the Social Economy Programme is to support community based organisations wishing to set up enterprises that provide employment and opportunities for the long term unemployed and other disadvantaged groups. They are set up as companies, expected to be professionally managed and to be entrepreneurial in that they function in the market place and have a traded income.
- 4.3.6** Working with companies set up through the Social Economy Programme as a service delivery option offers many benefits including: a reduction in the discomfort, illness, and mortality that arise from householders living in cold, poorly insulated and heated homes; employment opportunities for the long term unemployed and disadvantaged; and the effective, synergistic use of funding from a variety of sources especially FÁS, the local authorities and regional health boards.
- 4.3.7** The Social Economy Programme has robust accountability systems and a thorough application process offering further opportunities as a mechanism for service delivery.
- 4.3.8** The primary concerns of working with the Social Economy Programme or indeed any similar delivery mechanism regard the availability of personnel and the current capacity in the sector. Since 1997, long-term unemployment has fallen from 5.6% to 1.2%. This may present a recruitment problem and/or skills shortage for community based organisations in parts of the country. There is also currently insufficient capacity in the sector to service a national programme aimed at addressing fuel poverty. Establishing a good geographical spread of installers may accordingly be difficult using this service delivery option alone
- 4.3.9** Private sector companies represent an option for installing energy efficiency measures, particularly where alternative service delivery options are unavailable or have a skills shortage. However, quality of workmanship and standards of employee training are thought to be variable and there is a need where public funds are being applied, to ensure that companies can meet the standards required by the programme. Furthermore their use is less likely to attract funding from other sources or bring about the additional benefits that arise from working with community-based organisations.

## **To manage elements of the programme**

The following section details the range of organisations that could be considered to manage elements of the programme on behalf of Sustainable Energy Ireland. Appointment processes will be defined in due course.

### **4.3.10 Energy Action Ltd has a wealth of experience in the fuel poverty field. Its activities include:**

- installing energy efficiency and home security measures into low income and disadvantaged households;
- providing information and energy awareness;
- providing employment opportunities for the long term unemployed in energy efficiency related vocations;
- providing a range of vocational training options relating to energy efficiency and other subject areas;
- assisting the development of community-based energy efficiency organisations throughout Ireland; and
- developing quality standards for installing energy efficiency measures, training and more recently, energy rating.

It also has previous experience of working with the Authority having managed elements of the 1996 pilot project on its behalf. The Authority currently provides Energy Action with funding to assist it in installing energy efficiency measures in 1500 homes per annum.

**4.3.11** The Local Energy Agencies were established with EU funding to promote renewable energy and rational use of energy, to improve the quality of the environment and to contribute to sustainable development in defined regions of the country. They have experience and expertise (to varying degrees) in areas such as energy advice, energy rating, training, technical development that could be brought to bear on the programme. They also provide a link with local authorities which have an important role to play in tackling fuel poverty.

**4.3.12** Agencies from overseas and particularly the UK have a wealth of experience in managing energy efficiency programmes aimed at low-income households. Eaga partnership and Eastern HEES, a non-profit making subsidiary of Eastern Energy Ltd, act as managing agents for the installation of energy efficiency measures into UK households. They are responsible for selecting installers, quality assurance, marketing the Warm Front Team grants and processing grant applications.

**4.3.13** Private companies or a public/private partnership might also emerge with an interest in operating a sufficiently well funded and structured programme.

**4.3.14** The utility companies may be in a position to offer certain services relating to an energy efficiency programme including experience, technical expertise, quality standards, information systems and marketing expertise.

## **4.4 Issues, opportunities and threats – Partnerships**

**4.4.1** There is a need to bring together the various stakeholders at a local, regional and national level to ensure a coherent and effective approach to addressing fuel poverty.

**4.4.2** Because the fuel poverty issue cuts across government departments it is essential for effectiveness that they are working to complementary or shared agendas towards eliminating the problem. However, the range of measures in place to promote social inclusion creates a situation where government departments and agencies may be

contributing to the easing of fuel poverty without necessarily realising it. The situation review that is underway should help initiate and underpin the Authority's role in facilitating a coherent approach to fuel poverty for the various stakeholders.

- 4.4.3** The County and City Development Boards (CDBs) bring together local authorities, state agencies, local development agencies and social partners at a local level to promote economic, social and cultural development. The County or City Strategies that they are required to produce may provide an opportunity for co-ordinated action to address fuel poverty.
- 4.4.4** Local Authorities play a leading role in both Strategic Policy Committees (SPCs) and Local Agenda 21 both of which may provide a forum for partnership actions to tackle fuel poverty and social exclusion. Furthermore, many householders living in local authority dwellings may also be experiencing fuel poverty and accordingly local authorities have a need to address the issue.
- 4.4.5** Energy Action has been at the forefront of activity to alleviate fuel poverty in Ireland and already works in partnership with a number of organisations engaged in addressing the issue. Its experience, knowledge and expertise in the area will be valuable inputs into the programme.
- 4.4.6** Voluntary organisations and charities have an interest and a role to play in the alleviation of fuel poverty. In particular, they may be in a good position to help identify those in greatest need and refer them to the appropriate bodies. They also represent a knowledge and experience resource that could contribute towards the ongoing development of the programme.
- 4.4.7** The geographical coverage of Local Energy Agencies continues to grow and at a local level they will be important partners to the Authority in delivering its programme.
- 4.4.8** Opportunities exist for partnership working with organisations in Northern Ireland. This might include joint research, the exchange of best practice and joint projects to improve the energy efficiency of dwellings in border areas. European funding opportunities may also be available particularly through the Special Support Programme for Peace and Reconciliation.
- 4.4.9** Other European countries are at varying stages of their programmes to alleviate fuel poverty. Ireland can learn from their experiences and should be alert to opportunities for collaboration.

#### **4.5 Issues, opportunities and threats - Fuel pricing, supply and the use of fiscal measures**

- 4.5.1** Rising fuel prices will place more people at risk of fuel poverty but also strengthens the case for government action to address the problem. Falling fuel prices put pressure on the sustainable use of energy whilst at the same time bringing some households temporarily out of fuel poverty.
- 4.5.2** The introduction of a 'carbon' tax or fuel levy will have the effect of raising fuel prices. The most adversely affected householders would be the fuel poor and it is important that some of the proceeds of such a tax be used to mitigate the problem by improving the energy efficiency of dwellings occupied by this group.
- 4.5.3** Improving householder access to less expensive fuel alternatives such as gas, would contribute substantially to reducing fuel poverty.
- 4.5.4** In the UK, VAT has been reduced to 5% on certain energy efficiency measures provided under approved grant schemes, thus effectively increasing available funds. This may merit consideration as this programme develops.

**4.5.5** Winter fuel subsidies have for many years provided a relief to low-income households that struggle to afford the cost of heating their homes. However, they discourage action to improve energy efficiency and encourage the increased use of inefficient heating systems. Nonetheless, it is acknowledged that the removal of subsidies without adequate compensation in the form of improved energy efficiency could place many households in fuel poverty and be of further detriment to those already living in this predicament. It should also be noted that any change to winter fuel subsidies is the responsibility of and would require the full agreement of, a number of government agencies.

#### **4.5 Issues, opportunities and threats - Targeting fuel poor households**

**4.6.1** The geographical spread and variation in tenure of households living in fuel poverty adds to the complexity of any attempt to solve the problem. Fuel poor households live in urban and rural areas and in social housing and privately owned or rented dwellings. As a result, some fuel poor households will be easier to target and less costly to apply measures to than others.

**4.6.2** Identifying the households affected by fuel poverty is also made more complex by the broad range of contributory factors to the problem. Accordingly, setting qualification criteria for any scheme to alleviate fuel poverty is difficult. Over-simplifying the qualifying criteria may result in fuel poor households being overlooked whereas over-complicating the criteria makes it difficult to identify households that qualify; an appropriate balance needs to be struck. Ideally, the criteria will be such that householders can easily identify themselves as qualifying for assistance.

**4.6.3** Local, regional and national partnerships offer scope for information sharing that could assist in targeting fuel poor households.

#### **4.7 Issues, opportunities and threats – Rural fuel poverty**

**4.7.1** Certain aspects of fuel poverty are more pronounced in rural areas and require special consideration.

**4.7.2** In particular, fuel poverty tends to be more dispersed in rural areas. As a consequence, fuel poor householders can be harder to identify and on occasions, less willing to admit to the problem, especially when living among more affluent householders. Assembling a collective voice to highlight their plight is accordingly more difficult. With insulation installers tending to locate closer to urban areas, the dispersal of rural fuel poverty may also add costs to servicing such households arising from additional fuel and time requirements.

**4.7.3** Tenure can have implications for low-income households with generally lower rents in the rural private rented housing sector providing little incentive for landlords to invest in repairs or energy efficiency improvements to their properties.

**4.7.4** Levels of fuel poverty in rural Ireland are relatively high and it is therefore important that any programme to address the issue takes account of the particular mix of factors that characterises and contributes towards rural fuel poverty.

## **5 Work programme**

### **Objectives**

- 5.1** The aim of the low-income housing programme is to develop, promote and champion responses to fuel poverty within the context of national housing, social and sustainable energy policies.

The programme seeks to achieve this by identifying scope for synergy between the wide array of agencies in the low-income housing sector thereby assuring maximum benefit to recipient households.

- It also seeks to broaden and deepen the range of measures being offered to help alleviate fuel poverty into a nationally co-ordinated plan.

### **Benefits of the programme**

- 5.2** The benefits of the programme should include:

- An improvement in comfort for households benefiting from energy efficiency measures funded through the scheme, improving their sense of wellbeing. This should be accompanied by a proportional reduction in the numbers of people affected by respiratory, circulatory and other illnesses related to cold and dampness. There should also be a reduction in the degree of poverty experienced by low income householders.
- An increase in opportunities for employment and skills development, particularly in the energy conservation sector and continuing employment opportunities for those currently working in the fuel poverty field.
- A potential reduction in carbon dioxide emissions and other atmospheric pollutants associated with burning fossil fuels, as some households will be able to reduce their energy use as well as maintaining comfort. This will also result in a reduction in resource wastage.
- Longer maintenance cycles for dwellings as the energy efficiency measures contribute towards improved housing conditions.
- The establishment of multi-sector partnerships with potential synergy for working together on other projects that provide a benefit to society. Furthermore, new funding streams may arise for measures to alleviate fuel poverty.

### **Action Lines**

#### **5.3 Fuel Poverty Review**

- 5.3.1** The first step of meeting the challenge is underway with the commissioning of Fitzpatrick Associates to undertake a situation review to:

- review existing, relevant studies and reports and current levels of fuel poverty in Ireland;
- consider how economy wide instruments, if applied, could impact on the levels of fuel poverty;
- identify financial supports currently available in addressing all aspects of fuel poverty;
- compile an inventory of current agencies involved in implementing energy efficiency measures for the fuel poor, the scale of their activities, their funding structures/sources, training and standards in the area; and
- identify which agencies in the state sector are addressing the issue and to what degree they are co-operating and complementing each other.

- 5.3.2** An important part of the study will be to hold consultations with the different government departments that have a stake in alleviating fuel poverty, government agencies, non-governmental organisations, voluntary organisations and charities. The Call for Proposals outlining the terms of reference of the study can be found in Appendix 4.
- 5.3.3** The review will make clear recommendations for each element of the brief and for the structure of the fund disbursement programme. The review will also inform the approach to future actions and a future revision of this strategy following its publication

## **5.4 Broadening the Fund Disbursement Programme**

### **Extended Funding Programme (2002 – 2006)**

- 5.4.1** Since 1995 Energy Action has received funding through the Authority for its programme to alleviate fuel poverty in Dublin. This has been in recognition of its ability to deliver energy efficiency measures, cost effectively to low-income households. Prior to 1995, it received funding from the Department of Public Enterprise (then, the Department of Transport, Energy and Communications).

This funding will be maintained at current levels until the end of 2003 enabling a further 3,000 fuel poor households to have the energy efficiency of their homes improved (2002 – 2003). Thereafter, the level of funding will be reviewed with particular reference to the findings of the Fuel Poverty Review ensuring in so far as is recommended, that profiles for the fund disbursement programme reflect the geographical distribution of fuel poverty in Ireland.

- 5.4.2** In addition, the Authority will develop and extend the fund disbursement programme drawing heavily on the experience of the 1996 pilot regional project referred to in section 3 of this report. The aim will be to provide some immediate relief for householders living in fuel poverty and to build capacity to deliver improvements in energy efficiency throughout Ireland.

- 5.4.3** Over a five-year period a further 15,000 low income households will benefit from the measures installed which will initially include:

- Attic insulation
- Draught proofing
- Hot water cylinder jacket
- Low energy lamps
- Energy advice
- Cavity wall insulation where available

- 5.4.4** It is envisaged that these measures will be installed by community-based organisations funded through the Social Economy Programme. However, funding may also be provided for community-based organisations operating on similar principles and drawing on funding from other sources. In areas where a community-based option is not available, consideration will be given to alternative delivery options.

- 5.4.5** The Authority will initially target between 8 and 12 organisations offering funding at two distinct levels:

- Start-up funding will be provided to organisations that would like to start up a service for installing energy efficiency measures. Organisations with an undeveloped energy efficiency service that would like to expand their range of services will also be considered for this funding level which will reflect additional start-up costs in the targets set. Generally, this level of funding will be available for the first year only, subject to review; thereafter organisations will be able to apply for Developmental funding (see below).
- Developmental funding will be available for organisations that have an established service for installing energy efficiency measures. The funding will be provided to strengthen these organisations, allowing them to expand in output, the range of measures offered and their geographical coverage. Targets for organisations receiving this funding level will generally be more searching than those set for Start-up funding.

**5.4.6** As a guideline, funding up to a maximum of €50,000 per annum will be available for each organisation. Organisations wishing to install cavity wall insulation may apply for additional funding up to a maximum of €55,000 per annum. Funding agreements will cover multi-annual periods and be subject to periodic reviews.

**5.4.7** In both instances, the funding is not restricted to material costs and could cover investment in essential equipment and certain overheads. However, it will be subject to meeting agreed targets that will vary according to organisations' individual circumstances. The selection process will involve a call for proposals.

**5.4.8** A key element of the programme will be the provision of guidance and advice to organisations applying for funding from pre-application to the operational phase.

**5.4.9** There will be an emphasis on establishing a good geographical spread of organisations installing energy efficiency measures to ensure optimum access to the service for householders in Ireland.

**5.4.10** The funding should act as a catalyst for the organisations involved to secure additional funding from other sources, thereby enabling many more householders to benefit from improved energy efficiency measures.

**5.4.11** A portion of funding will be directed towards testing the potential of a broader range of energy efficiency measures and delivery mechanisms that will inform the fund disbursement programme as it progresses. More detail of this is given in section 5.5.

**5.4.12** The Authority will appoint managing agent(s) for the programme to carry out various management activities on its behalf including, quality assurance, reporting, providing guidance and advice to new and existing energy efficiency services, developing networks and some financial management. Appointment of the managing agent(s) will be through a call for proposals.

**5.4.13** The Authority will work with the appointed managing agent and appropriate community based organisations in order to determine the criteria that householders should meet in order to benefit from the programme. The criteria should be sufficiently objective but flexible and proactive, seeking to ensure that funding is prioritised to those in greatest need.

The Authority will additionally work with agencies and individuals who are trusted by householders that might qualify for assistance for example, health workers and community workers, in order to bring them to the attention of the implementing agencies.

## **5.5 Study of Extended Measures (2002 – 2004)**

- 5.5.1** The Authority is to run a programme testing the potential of a broad range of energy efficiency measures in addition to those noted earlier. Measures to be tested will range from energy advice and energy efficient appliances, right through to double glazing and high efficiency boilers. There will also be a focus on minimising the potential for condensation and its associated problems with both passive and active ventilation options being considered.
- 5.5.2** This phase will inform the fund disbursement programme as it develops and enable the Authority to examine a number of factors in detail including:
- the effectiveness of the measures in alleviating fuel poverty, saving energy and creating a healthy living environment;
  - the reliability of the measures;
  - the practicalities of installing certain measures;
  - cost models for different measure scenarios;
  - quality of workmanship and the availability of contractors to carry out the work;
  - rural issues; and
  - management issues.
- 5.5.3** The additional measures will be applied in up to 250 homes in selected clusters located throughout Ireland. A managing agent will be engaged to co-ordinate activity and a variety of service delivery options will be considered to implement the measures. Appointment of the managing agent and contractors will be through a call for proposals.
- 5.5.4 Where appropriate, the Authority will endeavour to bring together funding from other organisations in order to maximise the cost-effectiveness of this programme element e.g. local authorities, health boards, utility companies.

## **5.6 Further Research (2002 – 2006)**

In addition to funds provided for the Study of Extended Measures, the Authority will commission research as appropriate into emerging technologies, fuel poverty monitoring, rural fuel poverty and innovative ideas that could help to address fuel poverty.

### **5.7 Information and awareness raising programme**

- 5.7.1** The Authority will devise a marketing plan for the programme with a view to building public awareness and attracting partners.
- 5.7.2** The Authority will additionally seek to ensure that all low-income householders are empowered with the knowledge that will enable them to optimise their use of energy in the home.
- 5.7.3** This will be addressed by the provision of tailored energy advice to low-income households, targeted through working with government departments, agencies, local authorities and voluntary organisations.
- 5.7.4** The Authority will also encourage improved energy awareness amongst frontline staff of appropriate organisations that visit clients in their homes or advise low income households e.g. health professionals, environmental health officers, debt advice workers, social welfare workers. This is likely to be achieved through the provision of short energy awareness courses that will enable them to identify and refer households that could benefit from energy efficiency improvements, or deliver appropriate energy advice. There are a number of organisations that are well placed to deliver the courses which could be held at convenient locations throughout Ireland.

## **5.8 Standards**

The Authority will initiate the development of new or the full adoption of existing standards through the Standards and Certification unit to meet and support the requirements of the Low Income Housing programme. The standards will cover:

- Home energy rating
- Attic and cavity wall insulation
- Draught proofing
- Heating systems
- Low energy lighting
- Energy advice
- Domestic appliance energy labelling
- Training for surveyors and installers of energy efficiency measures
- 

## **5.9 Partnership Building**

**5.9.1** In delivering all aspects of this programme, the Authority will seek to make use of existing partnership structures and where appropriate, facilitate the establishment of new partnerships at local, regional and national levels that will assist stakeholders to address issues relating to fuel poverty in a coherent way. The Authority will also seek to engage with the relevant bodies in Northern Ireland to help address issues of shared interest.

**5.9.2** It is envisaged that the partnerships could provide a framework for consultation and influence policy at a local, regional and national level, seeking the development of complementary policies amongst partners and greater synergy between national and local initiatives. They might also gain commitment from partners particularly through the development of locally and nationally agreed strategies to tackle fuel poverty.

**5.9.3** The partnerships could provide a framework for exploring new funding opportunities and make the best use of existing funds. They could promote and exchange best practice and enable the sharing of information and statistics relating to fuel poverty. They could also encourage the development of referral networks that seek to identify fuel poor householders.

## **5.10 Funding**

**5.10.1** The total amount of funding available for the Low Income Housing Programme between 2001 and 2006 is €7.62M and will be allocated as per Table 1.

**5.10.2** All costs are best estimates based on the information that is currently available and will be subject to revision on the basis of market intelligence.

**5.10.3** Costs have been adjusted to allow for inflation at a rate of approximately 5% per annum.

**Table 1**  
**Costs schedule 2001 - 2006**

<b>Action line</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Total</b>
Extended Funding* Programme	€210,000	€408,000	€671,000	€945,000	€1,250,000	€1,419,000	€4,903,000
Study of Extended Measures		€215,000	€675,000	€235,000			€1,125,000
Management Costs**		€210,000	€220,000	€230,000	€210,000	€222,000	€1,092,000
Information and awareness raising		€20,000	€70,000	€75,000	€80,000	€85,000	€330,000
Research/studies etc		€40,000	€25,000	€30,000	€35,000	€40,000	€170,000
<b>Total</b>	<b>€210,000</b>	<b>€893,000</b>	<b>€1,661,000</b>	<b>€1,515,000</b>	<b>€1,575,000</b>	<b>€1,766,000</b>	<b>€7,620,000</b>

\* Includes currently identified funding of Energy Action from 2001 - 2003

\*\* Management costs relate to both the Extended Funding Programme and the Study of Extended Measures.

**Homes receiving energy efficiency improvements 2001 - 2006**

<b>Action line</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Total</b>
Extended Funding Programme	1500	2220	3100	3400	3700	3830	17750
Study of Extended Measures		50	150	50			250
<b>Total</b>	<b>1500</b>	<b>2270</b>	<b>3250</b>	<b>3450</b>	<b>3700</b>	<b>3830</b>	<b>18000</b>

## **6 Programme Management**

- 6.1** The Authority will seek to ensure throughout the implementation of this programme that funds are applied effectively resulting in least cost or highest value delivery.
- 6.2** The responsibility for the successful delivery of the Low Income Housing programme ultimately rests with the Head of Consumer Awareness. The responsibility for the co-ordination and day-to-day operation of the programme rests with the Project Executive for low-income housing.
- 6.3** The Authority will ensure that its personnel involved in the Low Income Housing programme are adequately trained and given the appropriate resources to carry out their responsibilities.
- 6.4** The detailed procedures for inviting, evaluating and approving proposals and for contract management will be designed to ensure that the process is transparent. It will also ensure that outcomes are based on independent and impartial advice in relation to compliance with the terms of the notification or call and secure best value for money.
- 6.5** Support will be given at the discretion of Sustainable Energy Ireland on behalf of the Minister for Public Enterprise and subject to the limit of available funds in any given year. The rate of contract commitment entered into will also take account the overall balance of geographical expenditure to be achieved within the NDP.
- 6.6** The programme will be subject to annual review and adjustment in the light of experienced performance, new knowledge and evolving needs and opportunities. In particular, it will be subject to a formal mid-term review at the end of the year 2003.

### **6.7 Management of the Extended Funding Programme**

- 6.7.1** The management of the Extended Funding Programme is itself a major undertaking. Accordingly a set of guidelines follows to ensure that the programme operates effectively
- 6.7.2** The Authority will delegate certain responsibilities to managing agent(s). The responsibilities of the managing agent(s) are likely to include:
- Quality assurance for the Extended Funding Programme.
  - Mentoring and day-to-day advice for organisations installing energy efficiency measures from pre-application to operational phases.
  - Assisting the Authority with the selection of organisations to install energy efficiency measures.
  - Assisting the Authority in supporting action lines including partnership building and information and awareness raising.
  - The establishment of a national database for the scheme. In particular for information regarding homes where measures have been installed.
  - The co-ordination of job quotas and tracking them with fund availability.
  - The provision of monthly reports to the Authority detailing jobs completed or in progress.
  - The provision of a call handling system for dealing with enquiries to the programme.
  - The collection and analysis of home energy rating data.
- 6.7.3** The Authority will work with the managing agent(s) to determine qualification criteria for householders availing of the scheme.

- 6.7.4** In addition to being generally accessible to the participants in the fund disbursement programme, a representative of the Authority and from the managing agent(s) will attend any appropriate meetings that are likely to arise out of partnership building.
- 6.7.5** A reporting structure for organisations installing energy efficiency measures will be agreed between the managing agent(s) and the Authority.
- 6.7.6** Records of all reports will be kept throughout the duration of the programme.
- 6.7.7** Funding arrangements for the organisations installing energy efficiency measures are being developed but will be transparent and subject to audit. The managing agents' fees are likely to be paid quarterly.
- 6.7.8** Clear and concise procedures will be devised for all aspects of the Extended Funding Programme. This will include procedures for training, installing measures, reporting, document control, monitoring and auditing.
- 6.7.9** The managing agent(s) for the Extended Funding Programme and the organisations installing energy efficiency measures will be subject to auditing or review in respect of the scheme. The overall scheme will also be subject to an audit to ensure that procedures are being adhered to and that the scheme is operating effectively.
- 6.7.10** Limited research has been carried out which suggests that when basic energy efficiency measures are applied to dwellings such as attic insulation, draught proofing, hot water cylinder jackets, low energy lamps and energy advice, low income householders tend to forgo much of the energy savings opting for greater comfort instead. Should further measures be applied such as cavity wall insulation and heating improvements, it is expected that greater energy and carbon dioxide emissions savings will result. If fuels are switched to less polluting fuels, a further reduction in carbon dioxide emissions may also arise.

The Authority is committed to monitoring energy and carbon dioxide emissions savings arising from this programme and to conducting further research into this area as appropriate.

- 6.8** A schedule detailing the most significant outputs and outcomes of the Low Income Housing programme shown in table 2 overleaf.

**Table 2**  
**Main outputs/outcomes of Low Income Housing Programme**

Action	Output/outcome
Fuel Poverty Review	<ul style="list-style-type: none"> <li>• Recommendations towards the Fund Disbursement Programme and supporting action lines</li> </ul>
Extended Funding Programme	<ul style="list-style-type: none"> <li>• Improved energy efficiency and comfort conditions in up to 18,000 homes</li> <li>• Improved health amongst low-income households</li> <li>• Increased capacity in Ireland for installing energy efficiency measures</li> <li>• High standards amongst organisations operating through the programme</li> <li>• Increased employment opportunities in the energy conservation sector</li> <li>• Local partnerships formed</li> </ul>
Study of Extended Measures	<ul style="list-style-type: none"> <li>• Up to 250 homes upgraded with an extended range of measures</li> <li>• Cost models for different measure scenarios</li> <li>• Optimum energy efficiency/cost models</li> </ul>
Information and Awareness Raising Programme	<ul style="list-style-type: none"> <li>• Frontline staff from appropriate organisations with improved awareness of fuel poverty issue</li> <li>• Improved energy awareness amongst low-income households</li> </ul>
Standards	<ul style="list-style-type: none"> <li>• Frequent and appropriate application of standards for: <ul style="list-style-type: none"> <li>- Attic and cavity wall insulation</li> <li>- Draught proofing</li> <li>- Heating systems</li> <li>- Low energy lighting</li> <li>- Domestic appliance energy rating</li> <li>- Training for installers and surveyors of energy efficiency measures</li> </ul> </li> </ul>
Partnership Building	<ul style="list-style-type: none"> <li>• Appropriate national, regional and local partnerships developed</li> <li>• A more coherent national response to fuel poverty</li> <li>• A framework for consultation and influencing policy</li> </ul>

## Appendix 1

### Further Background to the 1996 Regional Pilot

- 1.1** During the energy conservation conference “Paying the Price” in 1995, the incumbent Minister at the time, Emmett Stagg of the Department of Transport, Energy and Communications (DTEC) indicated that he was attaching an importance to the area of energy conservation and fuel poverty. A request followed from DTEC for the Authority to develop a regional pilot scheme to support the development of companies using Community Enterprise (CE) schemes to deliver energy efficiency services to low income households.
- 1.2** The CE schemes were funded by FÁS and operated by Area Development Partnerships (ADP) which received funding from Area Development Management (ADM) for start-up costs. They provided employment opportunities for the long-term unemployed who for this scheme would be required to install measures such as attic insulation, draught proofing, a hot water tank jacket and low energy lamps into the homes of elderly and disabled people on a low income.
- 1.3** Accordingly following an invitation limited to ADP’s outside of the Dublin area to participate, a scheme was launched in 1996. The scheme involved four groups from Tralee, Kilkenny, Waterford and Limerick. They were chosen following the consideration of six proposals that were received.
- 1.4** The original objectives of the scheme included:
  - Improving the levels of thermal comfort for vulnerable groups
  - Enterprise development
  - Training of long-term unemployed and ultimately and increase in employment in energy related areas.
  - Reducing energy consumption
  - Raising the level of energy conservation awareness amongst householders
- 1.5** Energy Action provided training and support to the chosen groups and by the end of the pilot scheme in February 1997, most of the targets set had been achieved with 500 homes being serviced and 55 people being trained in insulation techniques and energy awareness.
- 1.6** The project was completed within budget and some of the original objectives of the scheme were achieved including improved levels of thermal comfort and energy awareness amongst households involved. On the negative side, the Community Enterprise based partnerships were geared up to carrying out insulation measures and draught proofing, but as the scheme was a pilot, no further funding was available from the Authority. Nonetheless, two of the four groups are still operating as a result of securing funds from other sources.

## Appendix 2

### Key employment and development organisations and relevant initiatives

#### 1. Area Development Management

1.1 Area Development Management (ADM) is a private company established in 1992 by the Irish Government to support integrated local economic and social development through managing programmes targeted at countering disadvantage and exclusion, and promoting reconciliation and equality. The National Anti-Poverty Strategy (NAPS) is central to the work of ADM

1.2 ADM's role in relation to fuel poverty has been to provide funding to **Area Development Partnerships** and community groups setting up Community Employment Schemes.

1.3 ADM's guiding principles are:

- Targeting disadvantage
- Participation and inclusion of the groups targeted
- Improving the economic independence of participants
- A focus on equality and equality of outcome
- A multi-sectoral approach towards identifying and addressing the needs of local communities
- Partnership at a local level between the community sector, social partners and State agencies.
- Strategic planning to promote the best use and targeting of State, private and community resources.
- Reconciliation through joint participation by communities in decisions affecting the economic and social development of their area.
- Transparency, openness and accountability
- Mainstreaming of successful innovative activities developed by partnerships and community groups.

#### 2. FÁS

2.1 FÁS is Ireland's national training and employment authority. It was set up in 1988, under the Labour Services Act 1987. The principal functions of FÁS, as laid down in the Act, are:

- training and re-training
- designated apprenticeships
- recruitment service
- employment programmes
- placement and guidance service
- assistance to community groups

- advice for people returning to Ireland and those seeking employment elsewhere in the EU.
- consultancy and human resources related services, on a commercial basis, outside the State (through FÁS International Consulting Ltd.)

**2.2** FÁS's role in relation to fuel poverty has been to provide funding for Community Employment and Social Economy enterprises involved in such activities.

### **3. Community Employment Schemes (edited from FÁS website)**

**3.1** Community Employment provides eligible unemployed people and other disadvantaged persons with an opportunity to engage in useful work within their communities on a temporary basis.

**3.2** It helps long-term unemployed people to re-enter the active workforce by breaking their experience of unemployment through a return to a work routine and to assist them to enhance/develop both their technical and personal skills.

#### **3.3 Who organises Community Employment?**

Public bodies and voluntary organisations may sponsor projects which are for community and public benefit. To facilitate provision of development and training for participants, FÁS especially encourages projects that employ fifteen or more participants and a full-time supervisor.

#### **3.4 What type of project is eligible?**

Projects that respond to an identified community need and provide development for participants are eligible; for example, projects involving heritage, arts, culture, tourism, sport, and the environment. Projects should have the agreement of the relevant trade unions and must not displace or replace existing jobs. The project must offer valuable work opportunities for participants.

#### **3.5 What type of project cannot be supported?**

Projects which are politically or commercially oriented; which involve a substantial trading element; enhance private property; or which result in private gain are not eligible. FÁS staff can advise sponsors further.

#### **3.6 Who must the Sponsor employ?**

The sponsor is provided with resources to employ unemployed people as participants. Normally, participants are employed for one year, for an average of 39 hours per fortnight. The eligibility criteria allow you to recruit participants provided they are more than one year unemployed. Through their period spent at work in a project, they improve their chances of being integrated into subsequent employment elsewhere in the local economy. Some participants may be re-engaged by sponsors for a second year with FÁS agreement.

#### **3.7 Can any participants be employed for longer periods?**

Yes. There are additional benefits if you recruit participants who are over 35 years old, and more than three years unemployed. They may be employed for up to three years. Contact your local FÁS Employment Services Office for further details.

### **3.9 What training commitment does the Sponsor have to participants?**

As a good employer you are expected to provide training/development for participants. This is achieved through the preparation, in consultation with participants, of a Participant Development Plan. This Plan should help participants develop skills (personal and employment centred) that will assist them after their involvement in Community Employment.

### **3.10 What Support is Available?**

FÁS will pay a wages grant for all approved participants for the full period of employment. A contribution towards full-time supervision and material costs will be made. Grants towards Participant Development will be provided. FÁS is also phasing in support for Sponsor groups for development and training in the skills required for managing the project and its resources.

## **4. Social Economy Programme (edited from FÁS website)**

**4.1** The Social Economy Programme is a recent initiative from FÁS intended to provide the long-term unemployed with long-term job opportunities through Social Economy enterprises.

**4.2** The programme supports the development of Social Economy Enterprises that will benefit the economic and social regeneration of communities.

**4.3** Social Economy Enterprises tend to have the following characteristics: They:

- Offer ownership within the community or among people with a shared interest.
- Respond to market needs.
- Focus on economic and social development within the community
- Benefit both the community and individual members
- Provide sustainable employment opportunities

**4.4** Who will the Social Economy Programme Help and How?

The Social Economy Programme will provide up to three years grant support to social economy enterprises providing employment opportunities for the long-term unemployed or other disadvantaged persons.

**4.5** Social economy enterprises eligible for support include:

- Community Business — which would be expected to become self-financing in the medium term
- Deficient Demand Social Economy Enterprises — where the demand for particular goods and services within a community is not matched by the communities ability to pay due to disadvantage or low density of population
- Enterprises based on Public Sector Contracts — where there is potential for public sector expenditure in disadvantaged communities to be sub-contracted to local social economy enterprises.

**4.6** Who is Eligible for Employee Grant Support?

To qualify as a grant-supported employee you must be:

- Unemployed, over 35 years of age in receipt of Unemployment Benefit, Unemployment Assistance or One Parent Family Payment for at least three years.
- In receipt of Disability Allowance, Invalidity Pension or Blind Persons Pension. A person in receipt of Disability Benefit for six months or more who obtains approval from the Department of Social, Community and Family Affairs to engage in employment of a rehabilitative nature will also qualify.
- A Traveller, of any age, in receipt of Unemployment Benefit / Unemployment Assistance or One Parent Family Payment for one year or more. In the case of a Traveller under 18 years of age, a minimum of 12 months, spent in a Travellers Training Centre, will meet the requirement.
- A Qualified Adult (Adult Dependant) over 35 years of age of a long-term unemployed person or a person over 35 years in receipt of the Widows/Widowers Contributory and non Contributory Pension, subject to application of a qualifying period for eligibility as with unemployed persons and lone parents.
- There will be an exemption limit for other disadvantaged persons who do not meet the normal eligibility criteria, including women in low-income welfare dependant households. This can be up to 10% of the total number of grant-aided persons employed across Social Economy Enterprises.

**4.7** There are some other positive points to bear in mind. These are:

- Time spent on Community Employment/Job Initiative and/or a recognised training course will count as part of the eligibility period.
- Time spent in prison will count as part of the eligibility period. Ex-offenders need not be signing on the Live Register at time of recruitment.
- Casual workdays of up to 90 days, in the previous three years, will be allowed.
- Grant supported employment in a social economy enterprise may be full or part-time but applicants must meet the criteria as outlined above, apart from the 10% exemption facility.

**4.8** What Grants will be Available?

The Social Economy Programme will provide the following grant supports for:

- the development of a Social Economy Business Plan
- the recruitment of employees and manager
- Overhead and set-up costs
- Capital needs
- Staff development
- Financial advice and support.
- Social Economy Business Plan Development Grant

The purpose of this grant will be to fund the cost of the preparation of a Social Economy Business Plan. The Business Plan will set out the nature of the enterprise, including its marketing plan and how its products/services would support the local economic and social development strategy.

**4.9** How will the Programme be Managed and Administered?

FÁS will have responsibility for managing and administering the Social Economy Programme. The local FÁS Community Services Unit will administer all applications, contracts, funding, administration and monitoring including:

- final approval and administration of Social Economy Business Plan Grant applications
- final approval and administration of Wage and Start up Grant applications
- approving eligibility of grant supported employees, as per agreed eligibility criteria

- making grant payments
- monitoring of social economy enterprises.

## Appendix 3

### Technical Considerations

#### 1. Energy efficiency measures

1.1 The measures that can be carried out to improve the energy efficiency of dwellings fall broadly into the following categories:

- Insulation
- Heating and hot water provision
- Electrical appliances
- Cooking
- Lighting
- Ventilation
- Energy Advice

The following section is intended as a broad overview of the measures under consideration in relation to a Authority funded, cost-effective programme for improving the energy efficiency of low-income housing.

#### 1.2 Insulation

Upgrading thermal insulation will bring about an immediate improvement in comfort, is often very cost-effective and consequently an important element of any programme aimed at improving dwellings occupied by low-income households.

The measures available for consideration include, cavity wall insulation, attic insulation, internal wall insulation, external wall insulation, draught proofing and double-glazing.

The most cost-effective of these measures are cavity wall and attic insulation and draught proofing.

The built form and wall type of a dwelling can impose restrictions on insulation improvements. Solid walled homes will be more difficult and expensive to insulate than cavity walled homes as the only option for wall insulation is through installing internal or external wall insulation, both of which can be expensive and disruptive.

Cavity wall insulation may not always be straightforward and any problems will add to the cost. For example, if rubble or any other intrusion is present within a cavity, the danger of the cavity being bridged by water will be increased by adding insulation, and it therefore needs to be cleared prior to insulation. Other defects such as missing wall ties, need to be identified and remedied prior to insulation. A basic boroscope survey of the wall is therefore desirable prior to insulation being installed.

The level of exposure of the property under consideration for wall insulation also needs to be considered, especially for taller buildings and buildings exposed to wind-driven rain.

Attic insulation is usually straightforward, however there are certain considerations that could add to the cost and complexity of the measure. For example, homes with sloping internal ceilings and limited attic space, or with flat roofs will generally be more difficult and expensive to insulate effectively. Householders are also inclined to use their attic for storage and careful consideration should be given to standards to ensure a balance between practicality and achieving significant improvements to the insulation of the attic.

Draught proofing improves comfort, reduces fuel bills and is generally straightforward. However there will be instances where draught proofing is difficult, for example where the windows have steel frames.

Double-glazing, though desirable from the perspective of energy savings and noise reduction is expensive to install.

### **1.3 Heating and hot water**

Improving heating can also be a cost-effective option however, if carried out in isolation in a poorly insulated dwelling, the benefits will be limited.

Where mains-gas is available, gas central heating will tend to be the most cost-effective option for both heating and hot water provision, but should be accompanied by good thermal insulation or there is a risk that the householder may not be able to afford to use the system, or that the system may be ineffective.

Other heating fuels such as oil and liquid petroleum gas are subject to greater price variations than natural gas and are probably not suitable options for low-income households.

The choice of specification between combination and conventional systems raises issues in relation to appropriateness and expense. Combination systems are generally cheaper to install, though the boiler itself is normally more expensive than a conventional boiler. Most combination boilers are only suitable for smaller households where hot water demand is low due to comparatively low domestic hot water flow rates. The absence of a hot water cylinder in such instances also reduces options for airing clothes, but creates additional space. Instant hot water is also available so the householder only heats the water that they use. However, if the boiler fails for any reason the householder could be left without heat or hot water until it is fixed.

Conventional central heating systems require a hot water cylinder and generally require more work to install than combination systems. They are also generally less responsive in the provision of hot water, though fast recovery hot water cylinders are available to overcome this. Should the boiler fail, there is often an immersion heater fitted which means at least, that the householder has access to hot water. The presence of a hot press is also important to many householders, used to airing clothes in this way.

Conventional and combination boilers come as either standard or high efficiency boilers. The high efficiency condensing boilers are cheaper to run but more expensive to install owing to unit cost. There is also often a need to carry out further improvements to the heating system to ensure that the boiler operates in condensing mode. However, they can significantly reduce fuel bills and could be very useful in addressing dwellings that have limited scope for other energy efficiency improvements.

Where new heating systems are being installed or existing ones being upgraded, there is scope for improving heating controls. A heating system should be controlled by a programmer, room thermostat and thermostatic radiator valves. Some existing systems may be gravity-fed and can be improved substantially by being converted to fully pumped systems providing substantial savings for householders.

The user-friendliness of heating controls is of particular importance to low income households and this factor should be considered if they are specified.

Where natural gas is unavailable, electric storage heating and hot water provision should be considered. Modern electric storage heating is generally fitted with good heating controls but householders often find them difficult to operate efficiently. Their installation should be accompanied by appropriate and effective advice.

In most households a hot water cylinder will be present. This should be well insulated either with factory fitted foam or a hot water cylinder jacket.

Consideration could be given to solar water heating for hot water provision in some instances. This is currently relatively expensive but prices should fall as demand for the product increases. Solar water heating is most cost-effective where hot water provision is currently being provided using more expensive fuels such as on-peak electricity or LPG. To maximise the potential of solar water heating the roof needs to have an appropriate pitch and to be orientated towards the South, with no over-shading. Solar water heating cannot generally be fitted in conjunction with a combination boiler.

#### **1.4 Electrical Appliances**

Electrical appliances can contribute significantly to fuel costs. In low income households, inefficient refrigeration and washing machines would be the main concern. Low element kettles could also be considered. Encouragement and inducements for low-income households to purchase low energy appliances should therefore be considered. The safe disposal of old refrigeration units should be arranged to minimise environmental impacts.

#### **1.5 Cooking**

Electric cookers are comparatively expensive to run. Where natural gas is available, householders should be encouraged use gas cookers which have much lower running costs.

#### **1.6 Lighting**

Lighting can contribute significantly to fuel costs, especially in households with a high level of occupancy. Low energy lighting is highly cost-effective in most situations and can be easily included as part of a programme aimed at low-income households. Householders should also be encouraged to purchase low energy lamps when replacing existing light bulbs in rooms where they will be used frequently.

#### **1.7 Ventilation**

Adequate ventilation is required to ensure a healthy living environment is maintained. This can be partly addressed through advice, however it is also a technical issue that will require further research in order to establish the most cost-effective option for ensuring adequate, energy efficient ventilation for dwellings occupied by low income households. Where mechanical ventilation is necessary, it should be low energy and incorporate heat recovery.

#### **1.8 Advice**

All measures should be accompanied by good energy advice enabling householders to minimise their fuel cost. Good housekeeping advice and in particular, advice on how to operate heating controls, is required to avoid unnecessary expense to the householder. It should also enable householders to make informed purchasing decisions, particularly with regards to lighting and appliances.

Varying levels of advice can be given from the issue of a leaflet to personalised verbal advice. A balance needs to be struck between the cost of providing advice and its effectiveness in bringing about enduring behavioural changes.

## **Appendix 4**

### **Call For Proposals**



**IRISH ENERGY CENTRE**

**“Economic Consultants to conduct a national situation review of fuel poverty and low income housing with recommendations towards a fund disbursement programme”**

## **1.1 Background –Irish Energy Centre**

The Irish Energy Centre has a mission to promote the development of a sustainable national energy economy. Soon to be established as a statutory agency, the Sustainable Energy Authority of Ireland, the Centre promotes the economic and environmentally sustainable production, supply and use of energy. The Centre is funded by the Irish Government through the National Development Plan, 2000-2006 with programmes part financed by the European Union.

The Centre's extended remit was first articulated in the Green Paper on Sustainable Energy published by the Department of Public Enterprise in September 1999. A total budget of IR£146.4M (€185.57M) was approved for the period 2000-2006 for the implementation of this programme.

## **1.2 Context – Fuel Poverty**

The Green Paper on Sustainable Energy, 1999 in addressing fuel poverty explains: "Light and warmth are fundamental needs so their provision is of great social significance. Providing services directly rather than providing additional money has an important role to play because it bundles information on necessary efficiency measures with access to reliable supply and funding in a cost efficient way"

Fuel poverty is simply defined as the inability to heat ones home to an adequate i.e. comfortable and safe, temperature owing to low household income and low household energy efficiency. Quantitatively, a fuel poor household is often defined as one needing to spend in excess of 10% of their household income on fuel to achieve a satisfactory heating regime

In this context, item (vi) of the Centre's extended remit states as follows: "to advise the Minister for Social, Community and Family Affairs and the Minister for Public Enterprise on fuel poverty programmes".

## **1.3 Budget and Target Objectives**

The specific budget allocation for this measure in the period 2000-2006 is IR£6M (€7.59M).

Against this budget the Irish Energy Centre has clearly established targets for the number of homes to be addressed in terms of energy efficiency actions:

2003	(mid-term) 7,000 Homes
2006	(end of programme) 18,000 Homes

## **1.4 Outline Programme**

The Irish Energy Centre has defined an outline phased programme to achieve the objectives set out above. In summary this is:

- Situation review; to determine and confirm the scale of the issue of fuel poverty, current agencies and mechanisms in the area, cost models, issues.
- Establish guidelines for national programme including macro (implementing agency infrastructure) and micro (household) criteria.
- Propose a national fund disbursement plan ensuring nationwide coverage and optimum use of existing resources.
- Implement plan with continuous review and feedback to ensure optimal effectiveness.

## **2. REQUIREMENTS – ECONOMIC CONSULTANT**

### **2.1 Study Objectives**

The Centre wishes to appoint a team of independent Economic Consultants to conduct the *situation review*. The objective of this study is to identify the optimum use of the Centre's limited funds towards the achievement of the specified targets and furthering the government's policy objective with regard to fuel poverty. The study will make clear recommendations on the composition and content of the guidelines and fund disbursement plan.

### **2.2 The Task**

The study should:

- Review existing, relevant studies and reports
- Review current levels of fuel poverty in Ireland with consideration of household income, tenure, type and regional diversity.
- Consider how economy wide instruments, if applied, could impact on the levels of fuel poverty in the country including recommendations for avoiding such negative impacts.
- Identify financial supports currently available in addressing all aspects of fuel poverty.
- Compile an inventory of current agencies involved in implementing energy efficiency measures for fuel poor, the scale of their activities, their funding structures/sources, training and standards in the area.
- Identify what agencies in the state sector are addressing the issue and to what degree do they co-operate and are their activities complementary. (This refers typically to local authorities, health boards, ADPs, Combat Poverty Agency, FÁS).