

Justice in Energy Efficiency: a focus on fuel poor disabled people and families

A UKERC, University of York and ACE Research policy briefing



Foreword by Dr Joanne Wade OBE CEO of the Association for the Conservation of Energy

Fuel poverty is a problem that is not going away. National Energy Action estimate that, at the current rate of progress, there will still be households suffering from fuel poverty in 60 years' time. It is easy to agree that progress at this rate is not good enough, and that more resources must be found.

Beyond the overall injustice of there being anyone who doesn't have access to a fair level of energy services, there are additional injustices within the policies and programmes we are using to tackle the problem. In short, the needs of older people – important though they undoubtedly are – have been prioritised above those of people with disabilities and long-term health conditions, and those of families with young children. All these groups are vulnerable to the ill-effects of cold homes, and many people within them also have greater than average needs for energy services.

The *Policy Pathways to Justice in Energy Efficiency* project explores this issue, identifying the households who are missing out, assessing why their needs are not being fairly taken into consideration, and proposing changes that could at least level the playing field.

We have to stop ignoring people who don't always have the loudest voices; we have to stop avoiding people who are harder to engage, or more expensive and more difficult to help than others. We can do things better, because there are already good examples out there that we can learn from.

This guide, together with companion practitioner guides supported by Disability Rights UK and The Children's Society, highlights some of the main lessons to be learned and the ways in which we can ensure that everyone who is in fuel poverty has a fair chance of receiving help.

Introduction

This policy guide summarises the findings from a two year research project carried out by the UK Energy Research Centre (UKERC). It was led by the University of York's Department of Social Policy and Social Work (SPSW) and ACE Research¹, which looked to explore some of the key gaps in knowledge regarding justice in energy efficiency policy in the UK. The focus was on the impact of energy efficiency policies on disabled people, those with long-term illnesses and low-income households with children.

The UK's fuel poverty strategies recognise that these groups – along with older people – are the most vulnerable to harm from using less energy than they need. Historically however, the dominant political and public discourse around fuel poverty is focussed on older people, resulting in relatively more policy instruments targeted at this group and the predominance of a narrow and stereotyping narrative equating fuel poverty with images of the 'old and cold'. Research has shown that disabled people, people with long term illnesses and low-income families tended to be under-represented in the debates and in policy decisions, sometimes worsening the inequalities they faced.

These fuel poor households have specific energy needs. During interviews, householders living with impairments or long term conditions noted the need for higher temperatures and longer periods of warmth than other households, while some referenced additional energy consumption relating to the operation of medical equipment.

Meanwhile low-income family households described the additional energy need associated with having children, such as increased washing, drying and cooking, and strict heating regimes based around the presence of children in the home.

Improving the energy efficiency of fuel poor homes can cut energy bills and improve health, comfort and well-being. Yet these same households face additional barriers to having their homes improved, from not being identified as needing support, to a lack of understanding about how to upgrade their properties and the ever-changing landscape of grant funding and inaccessible customer journeys. All of these barriers can prevent energy efficiency measures being taken up.

As a result, these types of vulnerable households find themselves in fuel poverty. Recent statistics from the English Housing Survey (2016) highlight that 15 percent of family households are in fuel poverty, this figure increases to 25 percent for lone parents. Meanwhile, 13 percent of households with someone with a long-term illness or disability are found to be fuel poor².

Energy justice

The project considered three types of justice in relation to fuel poverty and energy efficiency:

Recognition justice suggests that diverse needs of people are not adequately reflected in policy interventions. In the context of fuel poverty, some households need to use more energy to have the same opportunities, fulfilment and welfare standard. Not taking individual needs into account, failing to understand them, or misrepresenting them, is a fundamental injustice of recognition, which results in unfair distribution and lack of due process.

¹ <http://www.ukerc.ac.uk/pathways-to-justice-energy-efficiency.html>

² However, fuel poverty amongst disabled people is arguably under reported in official statistics due to the inclusion of some disability benefits as disposable income and the lack of consideration of elevated energy needs (see Snell and Bevan 2015).

Procedural justice refers to the balance of power in decision making, as well as issues of accountability and impartiality. In the context of fuel poverty, this raises questions about who is consulted during the policy process, what information about prices and schemes is available, whether households can participate in the development and implementation of schemes, and how any problems with efficiency schemes can be rectified.

Distributive justice relates to the equal allocation of resources. In the context of fuel poverty, the unequal distribution of energy services is central to all definitions of fuel poverty with segments of the population having insufficient warmth as a result of low incomes, high prices and inefficient housing. For example, the prevalence of fuel poverty differs between the nations of the UK, and it has a disproportionate impact on the health of young children and people with existing health conditions. Furthermore, questions of distributive justice highlight unequal access to energy efficiency measures that may help to alleviate fuel poverty.

Methodology

This programme of work began with a rapid evidence review of existing research on justice and energy policy. ACE Research then took forward a series of interviews with 18 key stakeholders working at the national policy level and detailed the focus, size and eligibility of previous and current fuel poverty programmes from across the UK. The team at the University of York then produced further detailed policy analysis and conducted a series of interviews with policymakers, practitioners (60) and households (48). Two practitioner and policy stakeholder workshops were also delivered by the project team, to highlight emerging findings on how policy affects the target groups, whether policy and programme outcomes were consistent across the UK, and facilitating feedback on both policy and practice recommendations. Full ethical approval for the project was given by SPSW's ethics committee at the University of York on the 9th September 2016.



Overview of findings

Funding and investment

There are a number of ways to fund interventions to address fuel poverty – this can be through the application of levies on energy bills to deploy energy efficiency measures, as seen with supplier obligation schemes such as the Energy Company Obligation (ECO)³; or through general taxation, as seen with the current Nest and Arbed schemes in Wales, the Home Energy Efficiency Programmes for Scotland (HEEPS), the Affordable Warmth scheme in Northern Ireland and the previous Warm Front scheme in England. Broadly speaking, Scotland has the widest range of energy efficiency programmes that are publicly funded from tax revenues to tackle fuel poverty, followed by Northern Ireland and Wales, whilst England currently has none.

Many interviewees viewed ECO as a regressive policy. The costs of supplier obligations are spread across all energy customers, which can mean that households who do not receive energy efficiency improvements can be pushed into – or deeper into – fuel poverty by the costs of levies applied to their bills. According to the Energy Saving Trust (2017) only half of fuel poor households in England were eligible for help through the most recent ECO scheme, yet up to a million fuel poor ineligible households were subsidising energy efficiency improvements through their bills.

Delivery

ECO delivery was described as fragmented by stakeholders. Scotland and Wales have made the best use of ECO by combining funds with tax payer funded schemes to boost the number of households supported and the scale of interventions made (e.g. multiple measures).

Some stakeholders attributed Scotland's success to the fact that energy efficiency has been made a National Infrastructure Priority by the Scottish Government and therefore was high on the administration's political agenda. The Scotland Act (2016) has also devolved responsibility for ECO (and other fuel poverty programmes such as the Warm Homes Discount Scheme), thus enabling the Scottish Government to have greater control in the implementation of fuel poverty support.

Engagement

Without proactive targeting and promotion of schemes, households tend to miss out on support. This is most notable in England where access typically relies on partnerships and local knowledge. This can be compared to Northern Ireland which has developed an algorithm specifically to address the issue. Northern Ireland is also the least focused on volume targets, reaching fewer homes, but, as argued by our interviewees, their interventions are more effective.

Headline themes

Five substantive headline themes have emerged from this project, which have led to a series of policy recommendations.



Meet Mike. He is disabled and owns a solid walled property in Harchester.

Mike receives means tested benefits as a result of his disability. Mike is in fuel poverty. Unfortunately for Mike, he faces multiple challenges in his pathway to securing an energy efficient home.

³ ECO is not delivered in Northern Ireland.

Headline 1: ‘The numbers game’

How does this affect Mike?

If Mike lived in a more modern property, such as those with cavity walls rather than solid walls, he might have been better supported.

Current challenges

Current energy efficiency programme design leads to an emphasis on meeting targets at the lowest cost – ‘the numbers game’. Specifically:

- Energy advisors are not always able to recommend the energy measures that would be best suited to the property and the household living there, and instead are limited to centrally defined, inflexible targets that restrict the types of interventions available.
- The drive to reduce costs has resulted in more households being required to make financial contributions to enable retrofit works to go ahead. It is clear from our research that this is a substantial barrier to taking up measures.
- Disabled people and families often live in the poorest quality houses and have additional needs that require support throughout the retrofit process. This can make it more expensive for scheme providers and installers to reach these households and treat their homes. Incentives to deliver targets at least cost have resulted in these households being side lined.
- Short-term programmes and their associated targets, do not allow time for thorough evaluation and the development of more effective approaches to implementation.
- Evidence gathering is reduced to aggregate quantification of measures installed rather than the qualitative impact on people’s lives.

‘If you want us to deliver based on cost, I think we can do a good job at that, [as] we can reduce the cost of delivery, if you want to deliver based on need, which I think is increasingly social, it’s not the best model because we will turn away from a lot of people because they’re too expensive to deliver to.’

[Energy company, GB]

- Programmes in the devolved nations with different priorities and targets can soften the effects of ECO delivery as they are able to draw down additional funds. Local authority ECO Flexibility can also play a role, putting vulnerable households at the centre of delivery, but only where proactive local councils have published a Statement of Intent (SOI) and have funding and resources dedicated to eradicating fuel poverty at a local level.



Where existing practice works well

Tax payer funded schemes typically place their emphasis on households rather than on buildings and are grounded in social policy (e.g. fuel poverty alleviation).

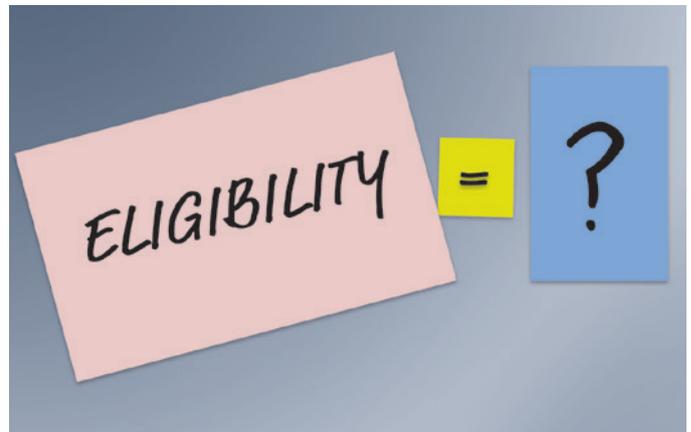
Consequently, they are less driven by volume targets and are less regressive since they are not funded from levies on energy bills. While such schemes operate in Scotland, Wales and Northern Ireland, there has been no tax payer funded scheme in England since the demise of Warm Front in 2013.

The schemes in the devolved nations, plus some local council and partnership offerings in England, can provide match funding for ECO, thus minimising the need for household contributions. Scotland in particular has been highly successful in working in this way.

These types of activity are likely to reach more people in need and could drive up the number of households being supported.

How policy could be improved – rethink policy targets

- There has often been internal conflict between policy and programmes that sought to tackle environmental and social objectives simultaneously. Policymakers should recognise that there needs to be dedicated focus on fuel poverty alleviation and rethink how action is guided and how targets are set.
- We recommend that a Treasury funded scheme is reintroduced in England, and that fuel poverty alleviation is considered in social policy terms. Whilst there are sound justice arguments for this approach, key learning from previous experiences (as well as current approaches such as the Renewable Heat Incentive) need to be acknowledged.
- If programmes such as ECO continue to support vulnerable households, there needs to be a greater emphasis on the positive impact of intervention to the household rather than a focus on least cost.



Headline 2: Households in need are not always eligible

How does this affect Mike?

The design of eligibility criteria for energy efficiency schemes can mean that Mike sometimes isn't eligible for support.

Current challenges

Where eligibility criteria are inflexible, vulnerable households, including disabled people and families, may find they are unable to access support despite being in need. Whilst stakeholders considered that some progress has been made on this issue in ECO2 through the introduction of local authority ECO Flexibility, which enables councils to set extended eligibility criteria, this is dependent on whether councils are proactive in having an SOI in place. While eligibility criteria have been expanded under ECO3, much more needs to be done to support households that fall foul of funding conditions. In addition, in some cases, the availability of funding may vary according to the period that ECO is in. For example, the availability of funding may be reduced when ECO obligated suppliers and their delivery agents are close to meeting their targets and offerings are closed to households.

“A lot of people like myself are not eligible for half of the stuff”

[Household 3]

Where existing practice works well

Where match funding for ECO can be found, such as through dedicated tax payer funded fuel poverty schemes, partnership working or local government contributions, this is likely to help more people in need regardless of specific eligibility criteria. It was reported by stakeholders that there is much more flexibility to top up support in Scotland and Wales, whereas activity in England was far more variable.

How policy could be improved – make eligibility as stable and consistent as possible

- National government should promote longer term delivery models to prevent households being turned away from support where ECO delivery agents are close to meeting their targets.
- National government should do more to support and promote the development of local authority ECO Flexibility across all local government areas and consider the possibility of additional flexible eligibility criteria being used across national policy.

Headline 3: Households are difficult to find

How does this affect Mike?

Even where Mike is eligible, he doesn't know it. For those stakeholders wanting to support Mike, he is incredibly hard to find.

Current challenges

Often households are highly risk averse and suspicious about offers of measures, especially if these come through the private sector, including energy companies. During interviews, some households noted that they are unable to negotiate the 'information minefield', whilst others noted that they were reluctant, or unable, to share personal information with scheme providers. Such households may miss out on support that they are entitled to as a result.

In addition, obligated suppliers have in the past relied heavily on referral partners and 'lead generators', whereas others used broad marketing strategies, relying on households to make contact with them or their agents.

Without proactive targeting and promotion of schemes, some families and disabled people who are either socially isolated or not engaged in typical communication channels miss out on support. This is most notable in England where access typically relies on local arrangements, and impact varies substantially as a result.

“We're not getting to those who need it the most. There are single parent families with children who have autism or disabilities and maybe we're not getting to them enough or young carers“.

[Managing Agent,
Energy Industry, England]

Whilst the health and social care sectors have some insight into the location of vulnerable households, and may be well placed to make referrals into energy efficiency schemes, their time and resources are restricted. Furthermore, in many cases caseworkers have nowhere to make referrals to. Our evidence shows that where such trusted intermediaries are absent or under-resourced, schemes struggle to reach vulnerable households. Such trusted intermediaries are therefore essential for facilitating access to fuel poverty support schemes.

Whilst Northern Ireland is considered the leader in terms of targeting households, Scotland and Wales have made progress in targeting specific households. England remains behind in this area.



Where existing practice works well

Greater success in terms of take up was reported where there was consideration of who is involved in marketing – messages from the public and voluntary sectors were considered most trustworthy by our households compared to the private sector. These intermediaries have community knowledge, can identify households in need and are more likely to be trusted compared to other organisations.

Word of mouth is a key factor determining levels of uptake of energy efficiency measures. Households want to understand what the works will entail, and this can improve uptake.

The value of social media should not be underestimated.

Households interviewed as part of this research used social media to find out more about schemes and discuss eligibility, sharing information and photographs, and discussing the risk of potential mess and disruption. Interestingly households using social media were less concerned about the trustworthiness of the information they received compared to those contacting their energy company. This was because individuals were sharing their experiences and making the unknown, known.

How policy could be improved – improve mechanisms for finding households

- Delivery agents need to capture how well schemes support vulnerable groups. We recommend that monitoring should be implemented to determine whether programmes are effectively targeting vulnerable groups. As part of this, there needs to be greater access to quality data, data matching and data sharing to enable households to be targeted more effectively.
- In more general terms, the trustworthiness of energy efficiency programmes needs to be improved, most notably in England. Once again, a clear, recognisable scheme, backed by national government may be the solution to this, especially one supported by, or delivered through trusted intermediaries.
- With an emphasis on the role of trusted intermediaries, formal recognition to their role needs to be given and resources allocated.
- Intermediaries need to be clear about how and where to refer a household, and they need to be confident that referrals will not waste a householder's time or raise their expectations unnecessarily.

Headline 4: Failing to understand needs

How does this affect Mike?

Mike is eligible and has been identified, yet the standardised delivery models of the energy efficiency industry may not be able to support Mike in having improvements made to his home.

Current challenges

Policy design and implementation does not take into account how households engage with energy efficiency. This means that the design and implementation of measures are blunt and potentially ineffective for some households. Whilst many vulnerable households expressed a preference for face-to-face advice, such intensive support is difficult to resource. The Government's digitalisation agenda now means that there are limited advice options for vulnerable households.

“Because I have a disabled child they need to give me half an hour's notice before they arrive at my door because I could be giving her medication or she could be on the nebuliser”.

[Household 2]

Furthermore, households undergoing work may drop out of schemes if their needs are not taken into consideration. This may prevent households from taking up support and improving their properties and their lives.



Where existing practice works well

The most vulnerable fuel poor households often need more support than the retrofit of energy efficiency measures to take them out of fuel poverty, such as income maximisation and tariff support. Households were more inclined to apply for energy efficiency schemes if these support options had been achieved and where trust had been built with intermediaries (e.g. a successful Warm Homes Discount Scheme or a debt relief application). The use of 'one-stop-shops' was the preferred approach of policymakers and practitioners alike. For example, in Scotland there is a single agency that offers advice and installation work and this has proved instrumental in the successful delivery of programmes.

Different aspects of a customer journey were said to reduce drop-out rates:

- Home visits are considered an essential part of ensuring scheme uptake among vulnerable groups.
- A clear plan of action agreed with the household in advance in order to address specific needs of the household. This action plan detailed the most appropriate work for the household, any additional support that they required during the process (including moving furniture), what to expect, when works would take place, and for how long.
- Informed installers: installers need sufficient information, knowledge, and understanding of the needs of the household.



“In terms of the two groups you’ve mentioned [disabled people and low-income families] what we try and do as well is home visits for people. So we’ve got an arrangement where if somebody’s unable to get out, if they’re disabled or they’ve got a disabled partner or they suffer from anxiety or something like that, then we can go and visit them in their house”.

[Charity, England]

- Having a single point of contact throughout the duration of a household’s involvement in a scheme is useful for building trust and oversight.
- The inclusion of advocacy services and agencies (i.e. trusted intermediaries) during delivery can provide additional support.

How policy could be improved – focus on the needs of households, and how they use and engage with energy, instead of the current focus on technical improvements to buildings

- There should be improved consultation and participation with key groups and charities representing vulnerable groups to help the energy efficiency industry understand their needs. Customer journeys must support all households through the process, recognising different needs.
- Trusted intermediaries are essential for facilitating access to support, and where they are absent or under-resourced then our evidence suggests that energy efficiency schemes struggle to reach and retain vulnerable households throughout the process. If they are to continue in this role, formal recognition to their role needs to be given and resources allocated.

Headline 5: ECO delivery is patchy

How does this affect Mike?

Mike is eligible, but is not a priority for action in his local area and ECO money is running low, so he is only offered a partial grant and he cannot afford to top this up. If he lived in another local area, or in Wales or Scotland, he might have received full funding.

Current challenges

The different ECO delivery models often lead to geographical differences in terms of the support that is available and how it is delivered. Success can depend on the level of match funding available, the nature of contracts between delivery agents and obligated suppliers, suppliers' progress towards ECO targets and the proactive use of Local Authority ECO Flexibility. Different ways of working can also make delivery complex and problematic. For example, local authority procurement works very differently to private sector business models.

This all leads to complex and variable delivery across Great Britain. This is particularly true in England where a scheme's success often depends on local actors, such as engaged local authorities and the health and voluntary sectors. However, these are under resourced and have many other priorities. As there is no single strong and consistent approach in England, intermediaries find it difficult to refer households into schemes and as a result it is harder to support vulnerable households.

Where existing practice works well

Once again, approaches in the devolved nations tend to be less 'patchy'. Both Scotland and Wales have been able to combine funding sources to address some of the issues that exist with ECO. In England this has been achieved through partnership working, yet this approach depends on the resourcing and objectives of the different actors.

How policy could be improved – aim for consistent outcomes for households wherever they live

- The government should consider re-introducing a treasury funded scheme in England, similar to those operating in the three devolved nations.
- In England, intermediaries need to be clear about how and where to refer a household, and they need to be confident that referrals will not waste a householder's time or raise their expectations unnecessarily.

“A main failure of ECO is that there's money to replace supposedly inefficient boilers but not money to replace a broken boiler or a condemned boiler, and there's no money to install radiators, or to replace the pipework [because of the difference in pressure]. So it basically means that, those households without any money, they can't access ECO funding because they can't actually put anything towards it”.

[Charity, England]

Policy pathways to justice

In addition to supporting the eradication of fuel poverty, energy efficiency policies can lead to improvements in health and well-being in UK households, with a variety of benefits including a reduction in the burden on the NHS⁴. Policies can also support economic growth in the energy efficiency sector and potentially reduce carbon emissions. Yet, energy efficiency and fuel poverty policy and programmes have been in continual flux over recent years. Action needs to be taken on energy justice – in terms of recognition, procedural and distributive justice – to ensure that the needs of disabled people and families on low incomes are addressed.



10 Justice in Energy Efficiency: a focus on disabled people and families with children

Our findings have highlighted current ways in which practitioners are enabling greater recognition of the needs of households who live with, or are at risk of experiencing, fuel poverty. Nevertheless, far greater attention needs to be paid to issues of recognition justice – most notably not only the way that households engage with energy, but also the way that energy efficiency schemes engage effectively with households. This focus needs to relate not only to understanding the variety of needs and experiences at the level of individual households, but also to how policymakers (from local level to national; across different sectors such as energy, health and housing) recognise and act on fuel poverty. In part, this raises issues of procedural justice – making sure that the voices of individuals, as well as the organisations that represent the diverse needs of disabled people, people who live with long term conditions, and families on low incomes, can be heard and taken on board by policymakers at local and national level.

However, changes in the delivery of energy efficiency measures that support households vulnerable to fuel poverty need to be fully resourced, and acknowledge the challenges associated with both finding and assisting such households.

The views and experiences of stakeholders in our research across Northern Ireland, Scotland and Wales point towards how future resourcing might work. A key recommendation is that action is needed to ensure that the delivery of energy efficiency support is more equitable across the four nations, thus enhancing distributional justice. We do not want this to result in the decline of activity in Wales, Scotland and Northern Ireland. Rather that investment in England is brought up to par with the devolved nations with the reintroduction of a tax-payer funded energy efficiency scheme.

The findings of this research have highlighted the complex energy needs of disabled people and low-income families, and the damaging impact of fuel poverty. Whilst energy efficiency policy has attempted to alleviate fuel poverty, from a household perspective offers of energy efficiency measures are often unclear, with confusing eligibility criteria, risks of hidden costs, and concerns about the trustworthiness of those making the offer and conducting the installation. Future energy efficiency policy needs to address these issues, placing the household at its centre.



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