

Opening Statement to the Joint Oireachtas Committee on Social Protection, Community and Rural Development and the Islands

“Energy Poverty, Fuel Allowance and Retrofitting of Rural Homes”

Wednesday 21st February 2024

IRL Speaker: Mr. Seamus Boland, CEO

Introduction

On behalf of Irish Rural Link, I would like to thank the Chair and all members of the Joint Oireachtas Committee on Social Protection, Community and Rural Development and the Islands for the invitation to present to you this morning on *“Energy Poverty, Fuel Allowance and Retrofitting of Rural Homes”*. We also made a longer submission which contains more detailed information.

About Irish Rural Link (IRL)

Irish Rural Link represents the interests of locally based rural groups in disadvantaged and marginalised rural areas by highlighting problems, advocating appropriate policies, sharing experiences and examples of good practice. It has a membership of nearly 600 rural community groups dedicated to sustainable rural development and represents rural communities at a national and international level.

Energy Poverty

Energy poverty has always been associated with low and inadequate income. Over the past number of years’ other factors such as; location, tenure, household composition, year of construction and type of fuel used, are now considered to also contribute to it. The recent energy crisis highlighted the vulnerability of low income and rural households to high energy prices with research showing that these households were most at risk of energy poverty.

However, these households have always been at risk of energy poverty. The size and nature of the housing stock, especially older housing stock, make rural households more vulnerable to experiencing energy poverty. The CSO SILC figures continue to show low income households in receipt of a social welfare payment unable to adequately heat their home or having gone without heat at some stage throughout the year.

Rural households have lower disposable incomes. The annual Minimum Essential Standard of Living (MESL) shows low income households in rural areas have a deeper income inadequacy than their urban counterparts. This is mainly due to higher energy and transport costs. Cumulatively, from March 2020 to March 2023, the MESL home energy costs for rural based households increased by 75.8%.

Retrofitting of Rural Homes

There are still many households with no central heating in their home. Census 2022 figures showed that over 21,000 households had no central heating. There is still a high dependency of peat including turf as the main source of heat in homes at almost 68,000 households. This is higher among households over the age of 65 at over 28,000. Almost 7,000 over 65s are living in homes with no central heating. This should be a grave concern as it brings with it other social and health issues and increases their risk of hypothermia.

IRL welcome the retrofitting programme but believe more targeted approaches are needed to bring low income households and rural households into the programme. In 2023, under the Fully Funded Energy Upgrades scheme, 13,983 applications were received with just 5,898 properties upgraded. More effort must be made to ensure that households most at risk of energy poverty are prioritised. Targeting these households as well as the worst performing homes first, by prioritising older homes with a BER rating of E, F or G on the waiting list must begin to happen.

Barriers to Retrofitting

Many of the barriers that existed when retrofitting first began are still in existence as programmes develop; Lack of Awareness and Knowledge; Cost of retrofitting - the average cost to bring a residential property from an E1 BER to and A3 BER can range from €42,875 for an apartment to €64,507 for a detached home. This can be higher depending on the contractor's or tradesperson's price and level of work done. Access to Finance; Length of Time to Complete Work; Disruption and Inconvenience; People do not Own their Home and depending on a Landlord or local authority to carry out the work. Shortage of Contractors and Tradespeople.

Recommendations

The following are recommendations IRL believe could improve the uptake and rollout of retrofitting of homes in rural communities.

Awareness raising roadshows - Continuing to raise awareness of upgrading the energy efficiency of a home is essential to increase the uptake. This includes; making people aware of what grants/schemes are available, the eligibility criteria, costs of projects, length of time, financial supports or loans are available, what is the different grants/schemes available and which one best suits the house type, people's income and their energy needs.

Physical One Stop Shop Clinics - IRL believe having a physical one stop shop would be more inclusive and allow those who do not have the digital or literacy skills to access information or apply for grants/schemes online or find it difficult to understand the process to drop into a physical clinic to talk to someone in person who would explain details to them. These clinics could be held in the local Post Office, community centres, local sporting club, credit union etc.

Community Outreach Programme - IRL proposed a Community Energy Outreach Programme to the Dept. of Environment, Climate and Communications in 2022. This programme would be similar to previous community outreach programmes IRL delivered namely; Digital Switchover, Eircode and most recently the Covid-19 Community Outreach. The aim of the Programme is to ensure that vulnerable groups and households receive necessary assistance through the distribution of clear, concise, and accurate information and advice in relation to retrofitting, alternative fuel sources and fuel poverty. Community Champions, who have worked on our previous programmes would use their experience and vast networks to reach the almost 68,000 households who still rely on turf as their main fuel source and do not have the financial resources or capacity to retrofit their homes.

Access to Finance - IRL see a greater role for Credit Unions in the rollout of the retrofit programme. As mentioned, credit unions are often the only financial institute that low-income households and older people can access loans from. Low-income and rural households must be prioritised to be able to access the low interest loans due to come on stream in the next few months. They must be the main lender of the new Government backed, low-interest loans as they are a trusted source of finance and credit for many low-income households.

Address Anomalies in Fuel Allowance - IRL recommend that the income thresholds for fuel allowance for over 70s be reviewed. IRL are aware of cases where an older person living alone is not eligible for the allowance as income is just above the threshold for a single person but would qualify if spouse or partner was still alive.

Increase training of Contractors and Tradespeople - Creating training opportunities for tradespeople who may need to upskill is now needed and looking how migrants can be retrained or have relevant qualifications recognised quicker could help address the skills shortage needed to reach our targets. With only 36 contractors available for the warmer home/fully funded grant schemes, encouraging more contractors to get involved and also encouraging local tradespeople to sign up must now happen.

I would like to thank you again for giving IRL the opportunity to present to you today.

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Irish Rural Link the Organisation

Irish Rural Link (IRL), formed in 1991, is a national network of organisations and individuals campaigning for sustainable rural development in Ireland and Europe. IRL, a non-profit organisation, has grown significantly since its inception and now directly represents over 600 community groups with a combined membership of 25,000.

The network provides a structure through which rural groups and individuals, representing disadvantaged rural communities, can articulate their common needs and priorities, share their experiences and present their case to policy-makers at local, national and European Level.

Irish Rural Link is the only group represented at the national social partnership talks solely representing rural communities' interests.

‘Our vision is of vibrant, inclusive and sustainable rural communities that contribute to an equitable and just society’

Irish Rural Link's aims are:

- To articulate and facilitate the voices of rural communities in local, regional, national and European policy arenas, especially those experiencing poverty, social exclusion and the challenge of change in the 21st century.
- To promote local and community development in rural communities in order to strengthen and build the capacity of rural community groups to act as primary movers through practical assistance and advice.
- To research, critique and disseminate policies relating to rural communities including issues such as sustainability, social exclusion, equality and poverty
- To facilitate cross-border networking between rural communities

‘Our mission is to influence and inform local, regional, national and European development policies and programmes in favour of rural communities especially those who are marginalised as a result of poverty and social exclusion in rural areas.’