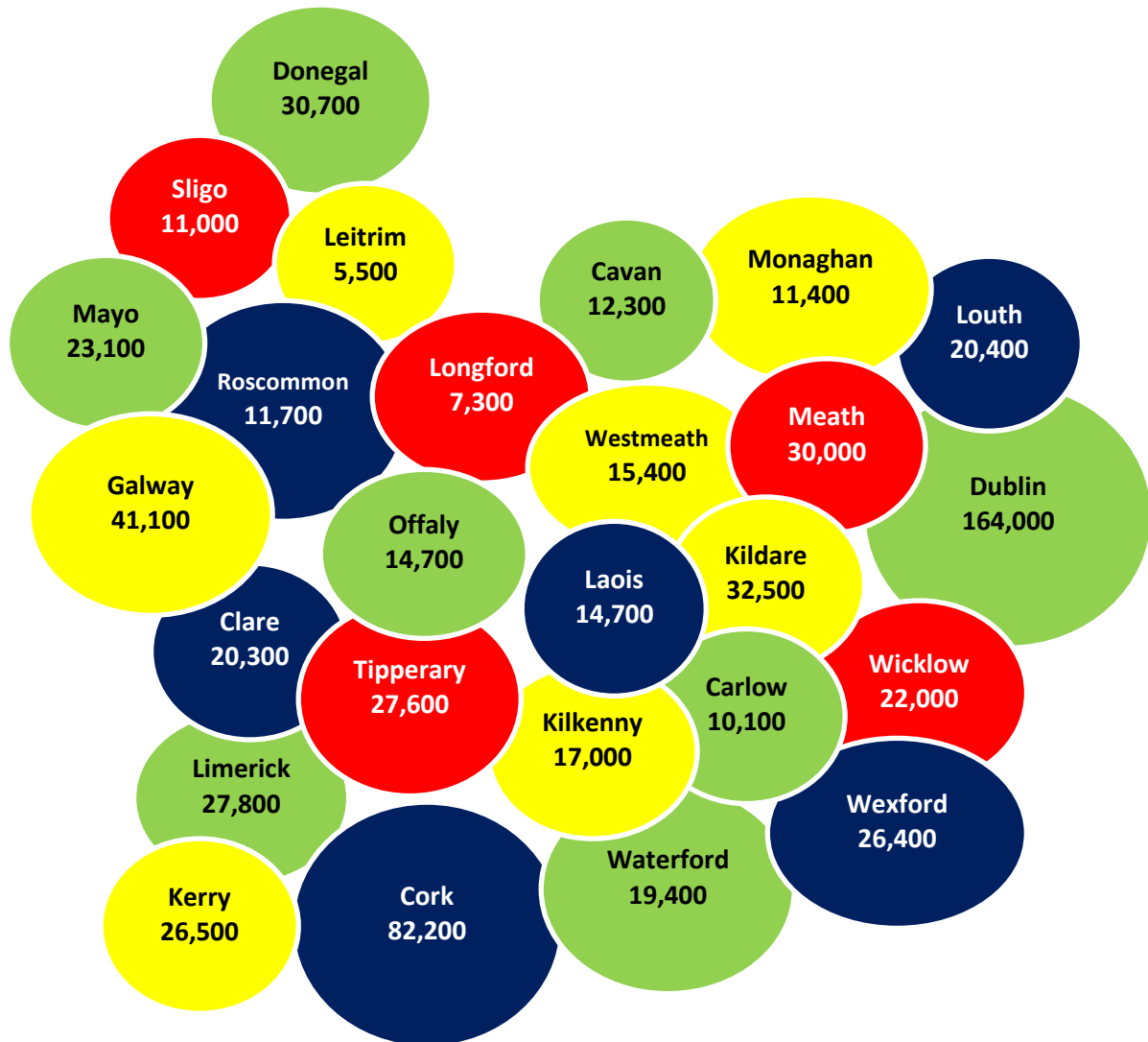


A COLD CHRISTMAS



There are over 700,000 suffering from fuel deprivation – unable to afford heat over the last year.

For our neighbours, our relatives and our work colleagues this could be a cold Christmas.



**Unite the Union
December 2015**

A COLD CHRISTMAS

There are over 700,000 who cannot afford to heat their home throughout the year. For many, this could be a cold Christmas.

Fuel deprivation – the inability to afford heating – is widespread throughout the Republic.

Recent official data shows that over 700,000 have had to go without heat sometime in the last year because they didn't have enough money to pay the bills.

With winter upon us many people will be spending the holiday season without heat. For many it will be a cold Christmas.

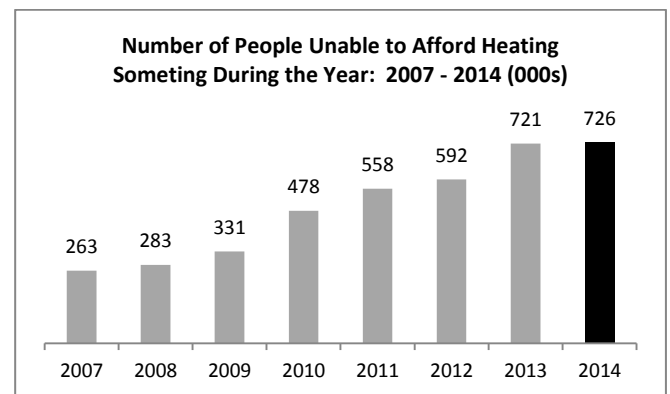
Have You Had to Go Without Heating?

Recently, the CSO published its annual Survey of Income and Living Conditions.ⁱ This covers the issues of household income, poverty and deprivation. To calculate the Deprivation Rate, a series of questions is asked. One of them is:

Have you ever had to go without heating during the last 12 months through lack of money . . . have you had to go without a fire on a cold day, or go to bed to keep warm or light the fire late because of lack of coal/fuel?ⁱⁱ

In response to this question, nearly 16 percent – or over 700,000 – answered yes. This is an indictment of failed government policies and perverse official priorities.

Over the course of the recession, more and more people have found themselves unable to afford heating.



In the year before the recession, 2007, over a quarter of a million people were unable to afford heating sometime during the year – at the height of the economic boom. By 2014, this number had nearly trebled – to over 720,000.

It would be a mistake to assume that the only people who suffer deprivation are those reliant on social protection payments (e.g. unemployed, single parents, pensioners). Though the CSO doesn't specifically break down the question regarding

heating affordability (or any of the other deprivation indicators), we can get a sense of this from looking at the overall deprivation rate. 30 percent of all people suffer multiple deprivation experiences – over 1.3 million people. Of these:

- 25 percent are at work while 38 percent live in households with only one income from work
- 69 percent live in households with children under the age of 18
- 13 percent have third-level education
- 52 percent are own-occupiers (as opposed to private or social housing tenants)

Deprivation is widespread throughout society, impacting on households with children the most (36 percent of all children below the age of 18 live in deprived households). There is nothing to suggest that fuel deprivation is any less widespread.

Causes of Fuel Deprivation

There are four principal causes of fuel deprivation.

Low household income: this comes from the lack of employment, low wages or below poverty-line social protection payments. The single rate for Disability Allowance is over 10 percent below the poverty threshold of €210 per week.

High energy costs: in absolute terms, energy costs are at a low level. This shouldn't currently be a major cause of fuel deprivation – though if oil and gas prices rise, as they will, it could play a more harmful role.

Poor home energy efficiency: while homes built since 2010 have high energy ratings, older homes are more poorly insulated. Of houses built prior to 1979, over half have extremely poor BER ratings (approximately 340,000). These houses make up over 20 percent of all dwellings.ⁱⁱⁱ

Under-occupancy of homes: while this is usually associated with the elderly (empty nest households), it can apply across a range of occupancies. The limited income is not sufficient to heat a large house and gives rise to the phenomenon of going to bed early to keep warm or living in one room.

To reduce fuel deprivation, a range of measures will need to be enacted (see below); primarily relating to income adequacy and energy efficiency. This is all the more urgent as we should expect energy prices to rise by the end of the decade.

Impact of Fuel Deprivation

The personal impact on those suffering fuel deprivations is difficult to imagine for anyone who has not experienced enforced lack of heat. It impacts on personal dignity, health, living standards, social participation and work.

According to the Public Health Institute of Ireland, fuel poverty or deprivations can result in:^{iv}

- Increased risk of death in cold weather (excess winter mortality)
- Increased risk of respiratory illness
- Increased blood pressure and cardiovascular events
- Worsening arthritis
- Increased risk of accidents at home
- Social isolation
- Impaired mental health
- Adverse effects on children's wellbeing

These not only carry a considerable cost to the people affected, it also carries a cost to society and economy – from loss of full participation to increased demand on health and social services. It can also impact on productivity at work while diminishing family life at home.

Fuel Deprivation in the Community

On the next page we attempt to estimate the level of fuel deprivation in each county. This is only an approximation as the CSO does not provide this data. Our estimates factor in income per capita level at county level^v and assume a relationship with deprivation. For example, Donegal has a much lower level of income than the national average (24 percent below). We adjust the national fuel deprivation average accordingly for Donegal. In similar vein, Dublin's per capita income is 19 percent above the national average; therefore, deprivation will be lower than the national average.

Therefore, these estimates should be treated as indicative.

County Estimates: 2014

	Estimated Number of People Who <i>'Had to go without heating during the last year through lack of money'</i>	% of Population
Carlow	10,100	18.3%
Cavan	12,300	17.3%
Clare	20,300	17.3%
Cork	82,200	15.6%
Donegal	30,700	19.5%
Dublin	164,000	12.8%
Galway	41,100	16.5%
Kerry	26,500	17.9%
Kildare	32,500	15.1%
Kilkenny	17,000	17.7%
Laois	14,700	17.8%
Leitrim	5,500	17.6%
Limerick	27,800	14.5%
Longford	7,300	18.3%
Louth	20,400	17.0%
Mayo	23,100	17.9%
Meath	30,000	15.9%
Monaghan	11,400	19.2%
Offaly	14,700	18.7%
Roscommon	11,700	18.4%
Sligo	11,000	17.2%
Tipperary	27,600	17.3%
Waterford	19,400	16.8%
Westmeath	15,400	17.5%
Wexford	26,400	17.9%
Wicklow	22,000	15.7%
State	726,000	15.7%

County Estimates

According to Unite's estimates, Donegal would have the highest level of fuel deprivation, consistent with being the lowest-income county. Monaghan, Offaly, Roscommon and Longford are close behind.

At the other end, Dublin would have the lowest level of fuel deprivation as it is the highest-income county. Limerick, Kildare, Cork and Wicklow make up the rest of the lowest five counties.

It should be emphasised that these estimates are linked to income. Without a county-by-county survey, it is difficult to be precise. However, as the national fuel deprivation rate is nearly 16 percent, the numbers at county level are not likely to diverge significantly.

Proposals

Unite puts forward two sets of proposals. The first is intended to address fuel deprivation in the very short term. The second set is intended to address the issue over the medium term.

(a) Short term

The Fuel Allowance is paid to approximately 380,000 people, with pensioners being the largest recipient group (40 percent). The Government cut the Fuel Allowance by nearly 20 percent in 2012 – reducing the €20 weekly payment from 32 weeks to 26. In the recent budget, the payment was increased by €2.50 per week, though it is still only paid for 26 weeks. This clawed back about half the 2012 cut.

Unite proposes:

- The Government **make a once-off €55 payment** to all recipients of Fuel Allowance and to recipients of Family Income Supplement in January.

This would fully restore past cuts and give people assurance that the fuel they use over the Christmas period would not be unaffordable when bills are issued in the New Year. This payment should be extended on a once-off basis to recipients of Family Income Supplement. The cost of this would be in the region of €30 million – a fractional amount.

(b) Long-Term Steps

Unite proposes:

- **Restore basic Social Protection rates** to their 2009 level within three years.

Due to the cuts in basic payments and the freeze over a number of years (which entail real cuts when factoring in inflation), basic rates would have to increase by 13 percent just to get back to 2009 levels. This will require prioritising supports for low-income households.

- Introduce the **Living Wage** over seven years

To achieve this goal, the minimum wage will have to be increased by 5 percent on average over each of these seven years.

Additional measures are also needed to support low-paid workers: an end to precarious contracts (e.g. uncertain, low-hour contracts); the right of part-time workers to take up extra hours when they become available in the workplace; insert a Living Wage clause in procurement contracts.

Increasing low incomes – whether in work or not – will go a considerable way towards reducing fuel deprivation.

Second, launch a national programme of house energy-efficiency. This could take three forms (among many).

Unite proposes:

- A **priority energy efficiency retro-fit** of all social housing and private rented housing, with the latter to be funded through long-term state loans.
- Requirement that **all houses sold meet the highest feasible BER rating** before transfer of ownership.
- **Long-term loans** for retrofitting with repayments based on a percentage of energy bills.

This will start to raise our housing stock to the highest possible energy efficiency and, therefore, reduce energy bills. This will help cut fuel deprivation rates.

Notes

ⁱ CSO Survey of Income and Living Conditions 2014
<http://www.cso.ie/en/releasesandpublications/er/silc/surveyonincomeandlivingconditions2014/>

ⁱⁱ CSO Survey on Income and Living Conditions
Questionnaire Manual
<http://www.cso.ie/en/media/csoie/eusilc/documents/SILCmanual2013.pdf>

ⁱⁱⁱ CSO Domestic Buildings Energy Ratings
<http://www.cso.ie/en/releasesandpublications/er/dber/domesticbuildingenergyratingsquarter32015/>

^{iv} Institute of Public Health in Ireland
<http://www.publichealth.ie/healthinequalities/Fuelpovertyandhow>

^v CSO County and Regional Incomes
<http://www.cso.ie/en/releasesandpublications/er/cirgdp/countyincomesandregionalgdp2012/>