



Belfast City Council

Report to:	Health and Environmental Services Committee
Subject:	Establishment of a Regulatory Framework for Liquefied Petroleum Gas, Oil and Solid Fuel
Date:	4 th August, 2010
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Relevant Background Information

Strabane District Council, at its meeting on 23rd March, agreed that the Chairman of the Council should write to the Office of the First and Deputy First Minister (OFMDFM) regarding the problems people in their district were facing with respect to fuel poverty in general and high energy prices in particular.

The Chairman of Strabane Council subsequently wrote to the OFMDFM on 30th March requesting that their office initiate the necessary procedures to set up a strong regulatory framework for oil, solid fuel and Liquefied Petroleum Gas (LPG).

Strabane District Council also sought the support of all other Councils in Northern Ireland on this matter and forwarded a copy of their letter to each of the other 25 district councils, including Belfast.

A letter of response was forwarded on 14th May to the Chairman of Strabane District Council from the OFMDFM. A response was issued also to Councillor John Matthews, President of the Northern Ireland Local Government Association (NILGA) as he had offered the support of NILGA. The OFMDFM response, however, did not offer any expectation that it would accede to the request although it did make reference to the new Fuel Poverty Strategy due to be issued for public consultation.

Key Issues

- Over 34% of people in Northern Ireland are in fuel poverty (2006 House Condition Survey [HCS]).
- According to the 2006 HCS, 38% of households in Belfast are in fuel poverty but, with rising fuel costs and continuing economic problems, the 2009 figure, due in the autumn of this year, is likely to be significantly higher.
- 70% of people use oil, 5% use solid fuel, 5% use electricity and 12% use gas
- The utility regulator's responsibilities include gas and electricity but not oil, solid fuel or LPG.

- In January of this year when temperatures dropped to as low as -11°C the average price of 900 litres of oil rose by around £25. This demonstrates how exposed vulnerable people are to unregulated oil prices.
- The Consumer Council is concerned that the most vulnerable customers, who cannot afford to purchase 300-500 litres of home heating oil in one transaction, are left with no option but to use 20 litre drums and can end up paying an additional 57 pence/litre.
- An added problem with the 20 litre drums, particularly for the frail or elderly, is the method of transfer into their oil tank. This can present serious health and safety risks.
- Strabane District Council has written to the OFMDFM calling for a regulatory framework for oil, solid fuel and gas and has copied this correspondence to all other district councils seeking their support on this matter.
- Mr John Matthews, President of NILGA, has written to OFMDFM supporting the call to set up a regulatory framework for oil, solid fuel and gas
- The OFMDFM has responded to Strabane District Council, however, their position does not provide any expectation that they are currently considering a wider regulatory framework
- The OFMDFM has also confirmed that the Department for Social Development is producing a new fuel poverty strategy which is due to be issued for publication.

Resource Implications

None.

Recommendations

It is recommended that the Committee writes to the OFMDFM endorsing the contents of the letter of Mr Kieran McGuire, Chairman of Strabane District Council, in which he seeks the support of all other Councils in Northern Ireland for a regulatory framework for oil, solid fuel and gas

Decision Tracking

The proposed DSD consultation on the fuel poverty strategy will provide the Council with a further opportunity to comment on the introduction of a new regulatory framework within a wider fuel poverty context

Documents Attached

- Letter from the Chairman of Strabane District Council to OFMDFM
- Letter of response from OFMDFM to Chairman of Strabane District Council
- Letter from OFMDFM to Cllr John Matthews, President NILGA.