

**EXPLANATORY MEMORANDUM TO**  
**THE DOMESTIC ENERGY EFFICIENCY GRANTS REGULATIONS**  
**(NORTHERN IRELAND) 2009**

**S.R. 2009 No. 195**

**1. Introduction:**

- 1.1 This Explanatory Memorandum has been prepared by the Department for Social Development to accompany the Statutory Rule (details above), which is laid before the Northern Ireland Assembly.
- 1.2 The Statutory Rule is made under Article 17 of the Social Security (Northern Ireland) Order 1990 and is subject to the negative resolution procedure.
- 1.3 The Statutory Rule is due to come into operation on 1 July 2009.

**2. Purpose**

- 2.1 The Statutory Rule will enable the delivery of the Warm Homes Scheme under the proposed Domestic Energy Efficiency Grants Regulations (Northern Ireland) 2009.

**3. Background**

- 3.1 The Warm Homes Scheme was established in 2001 and is funded by the Department for Social Development. Its purpose is to improve domestic energy efficiency and, therefore, reduce energy consumption in eligible private housing. Since its launch in 2001, the Scheme has provided energy efficiency measures to over 60,000 homes and its budget has increased from £5 million in 201/02 to over £20 million in 2008/09.
- 3.2 The Department wishes to make some key changes to the Warm Homes Scheme. The main changes are:
  - (i) Maintaining the division of the Scheme between insulation (Warm Homes) and heating (Warm Homes Plus) but removing the restriction of Warm Homes Plus to over 60's only.
  - (ii) Opening the Scheme, including the Warm Homes Plus heating element, to the working fuel poor who are receiving Working Tax

Credit, with Warm Homes offering insulation measures as the single entry point for all applicants.

(iii) All applicants to the Scheme will receive a Benefit Entitlement Check to ensure that they are claiming their full benefit entitlement.

(iv) Applicants in receipt of a disability benefit only will qualify for the heating element of the Scheme if the Benefit Entitlement Check results in a successful claim to a means tested benefit.

(v) These changes will be funded by focusing the heating element of the Scheme on those fuel poor households with no central heating, solid fuel systems, Economy 7 or Liquid Petroleum Gas.

(vi) Removing some of the measures which the Northern Ireland Audit Office deemed not particularly effective, such as draught-proofing, energy saving light bulbs and repairs and upgrades to existing heating systems.

(vii) The Department would like to include some renewable technologies for hard to treat homes where there is currently no alternative to oil heating. The Department is currently piloting a number of renewable technologies such as Wood Pellet Boilers, Solar Panels, Solar Photovoltaics which it hopes will provide a body of evidence to support their introduction to the Warm Homes Scheme.

(ix) All applicants will receive energy advice. Advice will cover the following areas:

- Additional energy efficiency measures which could be taken, such as better use of current appliances;
- How to better manage current heating system;
- How to budget for fuel; and
- Signpost applicants to services which can provide further support and information.

#### **4. Consultation**

4.1 The Department ran an 8 week public consultation exercise on the proposed changes to the Warm Homes Scheme. The public consultation finished on 19 December 2008. The majority of the respondents supported the proposals although some reservations were expressed about the removal of measures which the Northern Ireland Audit Office deemed ineffective such as draught-proofing, energy saving light bulbs and repairs/upgrades to existing systems.

#### **5. Equality Impact**

- 5.1 The Department for Social Development has complied with Section 75 of the Northern Ireland Act 1998. The Department undertook an initial screening exercise on the consultation to identify any equality impacts. No significant impacts were found and therefore it was decided that the review should not be subject to an Equality Impact Assessment. Respondents were asked to comment on any potential equality implications arising from the issues/proposals discussed in the consultation. No equality implications were raised during the consultation.

## **6. Regulatory Impact**

- 7.1 The proposed Scheme would not impose any additional costs or savings on business, charities or voluntary bodies and in the circumstances a Regulatory Impact Assessment is not required.

## **7. Financial Implications:**

- 7.1 These regulations will enable the delivery of the Warm Homes Scheme.

## **8. Section 24 of the Northern Ireland Act 1998**

- 8.1 The Department has considered its obligations under section 24 of the Northern Ireland Act 1998. It is the Department's judgment that the Household Fuel Payments Scheme Regulations (Northern Ireland) 2009:
- are not incompatible with the Convention rights;
  - are not incompatible with Community law;
  - do not discriminate against any person or class of person on the ground of religious belief or political opinion; and
  - do not modify an enactment in breach of section 7 of the Northern Ireland Act 1998.

## **9. EU Implications**

- 9.1 In order to support better integration of energy efficiency measures into national legislation, the European Commission has proposed several directives which are now in force relating to broad areas where there is significant potential for energy savings, such as energy efficiency in buildings, and has started a number of initiatives which aim to promote energy efficiency. The Warm Homes Scheme is in line with the Commission's energy policies.

## **10 Parity or Replicatory Measure**

- 10.1 Not applicable

**11. Additional Information**

11.1 Not applicable