

## **EXPLANATORY MEMORANDUM TO**

### **The Domestic Energy Efficiency Grants (Amendment) Regulations (Northern Ireland) 2016**

**S.R. 2016 No. 333**

#### **1. Introduction**

1.1 This Explanatory Memorandum has been prepared by the Department for Communities to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2 The Statutory Rule is made under powers conferred by Article 17 of the Social Security (Northern Ireland) Order 1990 and is subject to the negative resolution procedure before the Assembly.

1.3 The rule is due to come into operation on 7 October 2016.

#### **2. Purpose**

2.1 The Domestic Energy Efficiency Grants Regulations (Northern Ireland) 2009 provided legislative cover for the Department's Warm Homes Scheme.

2.2 The Warm Homes Scheme ended on 31 March 2015 and was succeeded by the Affordable Warmth Scheme. These amending regulations provide for the introduction of the Affordable Warmth Scheme and also clarify the conditions under which a Boiler Replacement grant may be payable.

#### **3. Background**

3.1 The Affordable Warmth Scheme was launched in September 2014 and introduced eligibility criteria based on household income rather than being benefit passported. It also introduced a targeted approach to helping households in severe/extreme fuel poverty.

3.2 Additional energy efficiency improvement measures such as the removal and replacement of ineffective cavity wall insulation and replacing ineffective windows was also added. The then Department of Finance and Personnel gave extra statutory approval for the scheme.

3.2 The former Department for Social Development piloted this targeted approach to tackling fuel poverty using a targeted area based approach. The Achieving Affordable Warmth area based pilot, in partnership with the Housing Executive, Mid Ulster Council cluster and Newtownabbey Council to deliver energy efficiency improvements to homes in small concentrated areas identified by a targeting tool

developed by the Ulster University. This pilot also had extra statutory approval from the former Department of Finance and Personnel.

#### 4. Consultation

- 4.1 The former Department for Social Development held a public consultation between 17 February and 9 May 2014.
- 4.2 The Department received 66 responses to the public consultation and had over 100 attendees at 6 public consultation events in Belfast, Enniskillen, Londonderry, Ballymena, Newry and Coleraine. There were 20 responses from councils, 12 responses from the heating and insulation industry or businesses, 18 responses from the voluntary sector and 16 responses from others.
- 4.3 The Department asked for views on the following:

<b>Proposal</b>	<b>Public Response</b>	<b>Department Response</b>
Targeting	71% agreed with an area based approach to target households in extreme/severe fuel poverty.	Accepted
Partnership working	64% agreed that the Department, Local Councils and the Housing Executive should work in partnership.	Accepted
Private Rented	40% agreed that landlords contribute 50% towards the cost of the measures installed.	Accepted
Eligibility	54% agreed eligibility for the scheme should be based on the householder's annual income.	Accepted, but based on feedback increased the annual income threshold from proposal of £16,190 to £20,000.
Energy Efficiency measures	68% agreed that measures should be prioritised, with the measures which most improve the energy	Accepted

	efficiency of the home delivered first.	
Self Referrals	74% agreed that there should be flexibility for self referrals.	Accepted
Client Contribution	54% agreed that where the cost of installing energy efficiency measures exceeds the grant limit, the householder should be allowed to fund the excess amount.	Accepted

## **5. Position in Great Britain**

- 5.1 The Boiler Replacement Scheme and Affordable Warmth Scheme are unique to Northern Ireland.

## **6. Equality Impact**

- 6.1 The Rule will have no negative impact on any equality group and it is considered that an equality impact assessment is not required.

## **7. Impact on the public**

- 7.1 The Affordable Warmth Scheme would have a beneficial impact on the public. The other provisions of the Rule would have no impact on the public.

## **8. Regulatory Impact**

- 8.1 These Regulations do not require a Regulatory Impact Assessment as they do not impose any additional costs or savings on business, charities or voluntary bodies.

## **9. Financial Implications**

- 9.1 The funding for the Affordable Warmth Scheme is included in the Fuel Poverty budget, the Boiler Replacement budget has also been agreed and no additional funding is required.

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

- 10.1 The Department has considered section 24 of the Northern Ireland Act 1998 and is satisfied that the Rule –

(a) is not incompatible with any of the Convention rights;

- (b) is not incompatible with Community law;
- (c) does not discriminate against a person or class of person on the ground of religious belief or political opinion; and
- (d) does not modify an enactment in breach of section 7 of the Northern Ireland Act 1998.

## **11. E.U. Implications**

11.1 Not applicable.