

Response ID ANON-YWJ8-JJFA-D

Submitted to 2025-2026 Draft Budget Consultation
Submitted on 2025-03-11 12:08:31

2025-2026 Draft Budget Consultation

1 Do you agree with the prioritisation of funding within the 2025-26 draft Budget document?

Not Answered

2 What services should be prioritised in the 2025-26 Budget?

Service 1:

National Energy Action (NEA) is the national fuel poverty charity, working across England, Wales, and Northern Ireland to ensure that everyone can afford to live in a warm, safe, and healthy home.

We welcome the opportunity to respond to the Department of Finance's consultation on the overarching draft Budget 2025-26. Our recommendations are driven by the urgent need to end fuel poverty in Northern Ireland, affecting as many as 40% of households according to recent polling.

Our response focuses on key services delivered by the Department for Communities (DfC), the Department for the Economy (DfE), and the Department of Health (DoH), highlighting their critical roles in addressing fuel poverty.

We urge the Department of Finance to ensure these recommendations are passed on to the relevant departments as they allocate their funding within this Budget:

Department for Communities

1. Finalise and Fund a New Fuel Poverty Strategy

DfC must prioritise funding for the preparation and implementation of a new Fuel Poverty Strategy for Northern Ireland. While the strategy's development is progressing positively, its impact will be limited without sufficient financial backing. Furthermore, in our response to the recent consultation on the draft strategy, we highlighted the need for specific, measurable targets in the final strategy – particularly a clear target for reducing fuel poverty.

Significant funding must be allocated to its delivery, including financial support towards energy costs for low-income and vulnerable households, and the delivery of a new, more ambitious domestic energy efficiency scheme - 'Warm, Healthy Homes'.

2. Increase Investment in Energy Efficiency

DfC's budget must prioritise domestic energy efficiency improvements, including increased support for the Affordable Warmth Scheme and its transition to the Warm, Healthy Homes scheme from March 2026 onwards.

Energy efficiency improvements are vital to addressing fuel poverty, yet the Affordable Warmth Scheme has suffered severe underfunding, with its budget slashed from £8.8m in 2023/24 to just £2.0m in 2024/25. As a result, the NI Housing Executive warned that 53% fewer households would be able to use the scheme.

Poor housing quality - particularly energy efficiency - remains a key driver of fuel poverty in NI. Retrofitting homes is a proven, cost-effective solution that:

- Reduces household energy demand.
- Lowers domestic carbon emissions.
- Supports a Just Transition to net zero.

We call on DfC and the wider Executive to honour commitments made in the Programme for Government 2024-27 to retrofit homes, and the proposals in the draft Fuel Poverty Strategy to introduce a more ambitious energy efficiency scheme. We look forward to engaging on the upcoming consultation on the new Warm, Healthy Homes scheme.

3. Maintain and Strengthen 'Make the Call'

DfC must continue to fund the Make the Call service, which is vital to supporting people to receive the benefits, services, and financial assistance they are entitled to. To maximise its impact:

- It should work in partnership with organisations providing trusted energy efficiency advice.
- Improve promotion of benefits such as Attendance Allowance, as it often leads to eligibility for Pension Credit – the key passport benefit for the Winter Fuel Payment.

4. Ensure Adequate Funding for Discretionary Support Grants

The Discretionary Support (DS) scheme plays an important role in providing emergency financial support to vulnerable individuals. DfC must ensure it is adequately funded and resourced to meet increasing demand.

5. Increase Funding for New Social Housing

Investment in new-build social housing must be a priority, particularly given the severe underfunding in 2024/25, which allowed for just 400 new social

home starts - 1,106 fewer than the previous year.

To meet the Programme for Government 2024-27 commitment to deliver at least 5,850 new social homes by 2027, significant funding increases are required. Access to affordable, high-quality, and energy-efficient housing is essential in the fight against fuel poverty. Well-insulated social homes reduce heating costs, helping to lower tenants' energy costs.

Department for the Economy

6. Accelerate Delivery of the Energy Strategy – 'The Path to Net Zero Energy'

DfE's budget must prioritise continued and accelerated delivery of the Energy Strategy for NI to ensure:

- A more equitable and affordable energy future for all.
- Greater protection for consumers from rising energy prices and price volatility associated with fossil fuels.

Many of the Energy Strategy's commitments require urgent progress to meet 2030 targets. Critical areas requiring funding and delivery include:

- Establishing a one stop shop to provide trusted information, advice and support to consumers.
- Introducing support for low carbon heat technologies.
- Introducing smart measures as part of a wider digitisation and data framework.
- Introducing minimum standards for the energy efficiency of buildings.
- Implementing a new support framework for energy affordability.
- Phasing out fossil fuel heating oil.
- Ensuring robust protection and redress measures are in place for energy consumers.

DfE must work closely with DfC on delivery of the new Fuel Poverty Strategy, to achieve a comprehensive and coordinated approach to tackling fuel poverty.

Department of Health

7. Address Fuel Poverty to Protect Public Health

In the current challenging budgetary environment, cross-departmental collaboration is essential to tackling fuel poverty and its impact on public health. While DfC leads on the new Fuel Poverty Strategy for NI, DoH must play a key role, as cold homes contribute to poor health outcomes, including Excess Winter Mortality and increased pressure on health services.

The draft strategy proposes to 'implement key aspects of NICE Guidelines on the health risks associated with living in a cold home' - a proposal we strongly endorse. We urge DoH to work closely with DfC to:

- Review and strengthen the implementation of NICE NG6 in NI.
- Ensure health and social care services incorporate fuel poverty mitigation measures.

Taking action on fuel poverty will improve public health, prevent avoidable hospital admissions, and reduce long-term pressure on the health budget.

3 Are there services that no longer need to be delivered or can be reduced in 2025-26?

Please specify::

4 Do service charges need to be considered for some services?

Please specify::

5 Please respond to the following statement: Public sector pay should be prioritised.

Not Answered

6 Have you any other views?

Have you any other views for discussion? :

Firstly, the 2025-26 Budget must prioritise targeted investment in fuel poverty mitigation, domestic energy efficiency, and energy affordability measures. Without adequate funding, fuel poverty levels will continue to rise, placing greater strain on health services, social care, and household finances.

Fuel poverty is a significant determinant of health that disproportionately affects vulnerable and low-income households. Cold, damp homes contribute to and exacerbate physical and mental health conditions, increasing hospital admissions, excess winter mortality, and demand for health and social care services. This places additional financial pressure on an already overstretched health system and DoH's budget. Addressing fuel poverty through targeted investment is not only a public health necessity but also a cost-effective measure to reduce long-term healthcare expenditure and improve overall health outcomes.

Furthermore, the 2025/26 Budget must provide DfC and DfE with the necessary funding to effectively deliver the new Fuel Poverty Strategy and the Energy Strategy. We urge DoF to ensure our recommendations in this consultation are conveyed to DfC, DfE and DoH as they allocate their funding within this Budget.

Secondly, long-term planning is crucial. The lack of a multi-year budget for 2025-26 is disappointing, as single-year budgets limit the ability to implement

sustained, strategic actions. However, we welcome assurances that the Second Phase of the Spending Review will provide:

- Three-year Resource DEL envelopes (to 2028-29)
- Four-year Capital DEL envelopes (to 2029-30)

Multi-year budgets must be set to allow for greater long-term planning and transformation.

Thirdly, to increase funding for domestic energy efficiency and renewable energy, we urge DoF to secure consequential from the UK Government's Warm Homes Plan and GB Energy.

The Warm Homes Plan, a key commitment in the Labour Party Manifesto 2024, pledged to invest an additional £6.6 billion over the next Parliament, bringing total investment to £13.2 billion. According to the Energy Saving Trust, the Warm Homes Plan would make provision to upgrade over 100,000 homes in NI. However, we remain uncertain if the NI Executive has secured this money from the UK Government and ring-fenced it for this purpose.

Improving home energy efficiency is a long-term, cost-effective measure to address fuel poverty. We call on DoF and the wider Executive to:

- Proactively engage with the UK Government to ensure that NI receives its fair share of funding from the Warm Homes Plan and GB Energy.
- Ring-fence any funds received from the Warm Homes Plan for fuel poverty mitigations.