



# ***CONSULTATION RESPONSE***

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## **Consultation on Department for Communities Budget 2025-26 allocations**

### **About National Energy Action**

National Energy Action (NEA) is the national fuel poverty charity, campaigning for warm and safe homes. Working across England, Wales and Northern Ireland, we directly support people with energy and income maximisation advice, and we advocate on issues such as the current energy crisis and the need to improve the energy efficiency of our homes.

We do not work alone. Partnerships and collaboration have been at our heart for over 40 years, helping us drive better health and wellbeing outcomes.

In Northern Ireland, we chair the [NI Fuel Poverty Coalition](#) and act as the secretariat to the [All-Party Group on Fuel Poverty](#). We advocate for policy and regulatory reforms to protect the most vulnerable, and we deliver accredited training to improve standards in energy advice. Through the [Belfast Warm and Well Project](#), we provide advice and practical support to local people struggling to keep their homes warm.



## Consultation Response

We welcome the opportunity to provide comment on this Equality Impact Assessment on the Minister for Communities' initial Budget 2025-26 decisions. Our comments are informed by our research, expertise and extensive experience supporting fuel poor households and vulnerable energy consumers in Northern Ireland.

### **Q1: Are there any data, needs or issues in relation to any of the Section 75 equality categories that have not been identified in Section 6 of the EQIA consultation document? If so, what are they and can you provide details?**

Yes. It is essential that the Department considers recent research on the scale of NI's fuel poverty crisis and its impacts, including:

#### ***LucidTalk – 'NEA NI: Northern Ireland Attitudinal Poll' (September 2024)<sup>1</sup>***

The most recent official estimate for fuel poverty in NI was 27% in 2022, modelled using baseline data from the 2016 House Condition Survey<sup>2</sup>. However, recent annual polling by LucidTalk for NEA NI has consistently found the rate to be much higher – likely reflective of recent pressures, including global energy market volatility, the post-COVID recovery, and the ongoing cost-of-living crisis. Our latest poll, conducted in September 2024, estimated that 40% of NI households were spending at least 10% of their total household expenditure on energy costs and were therefore living in fuel poverty.<sup>3</sup>

The NI-wide representative survey also found the continued pressure on household budgets has led to a rise in detrimental 'coping' mechanisms. For example, 27% of households told us they went without heating (oil/gas) or electricity on at least one occasion during the previous 24 months, because of not being able to afford the costs of energy. This was up from 19% of households the previous year. 1 in 10 households admitted to skipping meals to ensure they had enough money to pay for their energy. **This means that choosing between heating and eating is very much a reality for around 80,000 NI households.**

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<sup>1</sup> Lucid Talk, (2024). '[Northern Ireland \(NI\) Attitudinal Poll – NEA NI](#)'.

<sup>2</sup> Northern Ireland Housing Executive (2016). '[House Condition Survey Report](#)'.

<sup>3</sup> Currently, a household in Northern Ireland is regarded as being in fuel poverty if, in order to maintain a satisfactory level of heating throughout the home, the occupants would have to spend more than 10% of their income on all household fuel use. ([Department for Communities](#), 2011).



This research highlights the continued depth and scale of the fuel poverty crisis in NI, and its health and wellbeing impacts. The qualitative data sheds further light on the experiences of those struggling to heat their homes affordably. For example:

*“Couldn’t afford it so bundled up and did without.”*

*“I had to take out 3 loans from social security I’m still paying them back and not allowed anymore loans from them so don’t know what’s going to happen as I need oil now.”*

*“Stress of heating home. Keeping your child warm. I will sit in a cold house if child isn’t with me”.*

*“Visitors have commented it’s cold in my home which prevents visits. Isolation.”*

*“Can’t afford it. I’d rather eat than heat my house... I’m actually sitting here now with the flu and can’t even afford tablets to help me get better.”<sup>4</sup>*

**Q2: Are there any adverse impacts in relation to any of the Section 75 equality groups that have not been identified in section 7 of the EQIA Consultation document? If so, what are they?**

Yes. **Fuel poverty ought to be specifically mentioned in Section 7.6viii as an adverse impact of the Department’s constrained Capital allocation for Housing and Affordable Warmth.**

It is alarming that once again the Department’s Budget allocation for the provision of New Build **Social Housing** will fall significantly short of necessary targets. Current allocations will only support in the region of 1,000-unit new starts in 2025-26, compared to the target of 2,000. The provision of affordable good quality housing is vital for tackling fuel poverty. Social homes help reduce prevalence of homelessness, manage affordability for tenants, and in many cases new social homes are more energy efficient, hence reducing heating costs.

Furthermore, we are once again very concerned about the **persistent underfunding of the Affordable Warmth Scheme**. The allocation of £2.5m in 2025-26, is at least slightly more than the initial allocation of £2m in 2024/25, but it still falls significantly short of what is required to address energy inefficiency for low-income households. The Department estimates £2.5m will

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<sup>4</sup> Lucid Talk, (2024). [‘Northern Ireland \(NI\) Attitudinal Poll – NEA NI’](#).



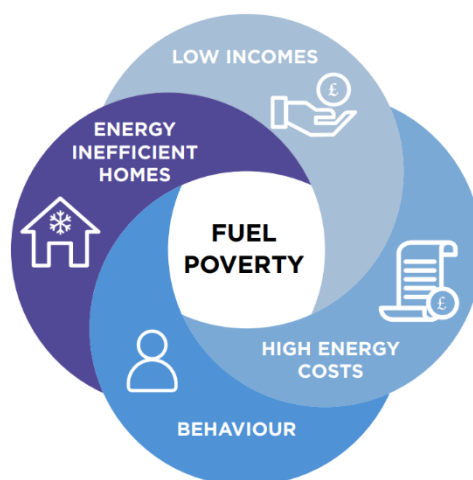
allow approximately 480 additional approvals to be made in 2025-26. **At this rate, we will never meet decarbonisation targets nor tackle the scourge of fuel poverty impacting so many households here.**

The quality of housing (including energy efficiency) is directly linked to levels of fuel poverty in NI. Energy efficiency improvements offer a tried and tested cost-effective approach to both alleviating the hardships on fuel poor households and reducing household carbon emissions. Improving domestic efficiency is a crucial part of tackling fuel poverty, reducing NI's greenhouse gas emissions, and supporting a 'Just Transition' to Net Zero. This constrained capital for Affordable Warmth is counterproductive to achieving 2050 decarbonisation targets and addressing our fuel poverty crisis.

Section 7.6viii should specifically identify fuel poverty as an adverse impact of this proposal for Section 75 groups - especially since alleviating fuel poverty is part of the scheme's intended purpose.

Anyone can be impacted by fuel poverty; however certain groups are especially vulnerable. The primary factors which cause fuel poverty are widely agreed to be low household incomes, high energy costs and energy inefficient homes (see Figure 1). As such, any budgetary decision that **increases strain on household incomes** or **reduces efforts to improve domestic energy efficiency** (e.g. constrained funding for the Affordable Warmth Scheme) has the potential of worsening/failing to tackle fuel poverty in Northern Ireland.

This has **equality implications** since **older people, babies** and **young children**, adults with **disabilities** or long-term health conditions, individuals who are socially isolated, carers and **dependents**, are among those most vulnerable to fuel poverty and its impacts.



*Figure 1 - Drivers of Fuel Poverty*



**Q3: Please state what action you think could be taken to reduce or eliminate any adverse impacts in allocation of the Department's 2025-26 Budget.**

Preventing fuel poverty is within the interest of the Department for Communities and its stated function to provide "support to meet the needs of some of the most disadvantaged people, families and communities across Northern Ireland" (4.8) – including "ensuring the availability of good quality and affordable housing" (4.9). Instead, **some of the budget proposals risk sustaining or worsening fuel poverty, with equality implications for Section 75 groups.**

To reduce or eliminate fuel poverty as an adverse impact of the Department's 2025-26 Budget, particularly the constrained Capital allocation for Housing and Affordable Warmth, we recommend the following:

***1) Utilise Barnett Consequentials from the UK Government's Warm Homes Plan to tackle fuel poverty in NI and increase funding for Affordable Warmth***

In June 2025, the UK Government confirmed a commitment of £13.2 billion for its Warm Homes Plan (WHP). NEA welcomed this investment which will bring long-term benefits to fuel poor households and result in NI receiving significant funding through Barnett consequentials. We are fully aware that this funding is unhypothecated and its allocation is at the discretion of the Executive. However, we believe this presents a crucial opportunity to **direct additional resources to delivery of the forthcoming Fuel Poverty Strategy and to increase capital for the current Affordable Warmth Scheme and future Warm, Healthy Homes Scheme.**

We urge the Department to make the strongest case possible to Executive colleagues for this funding to be made available for the purpose it was intended – to reduce fuel poverty and improve domestic energy efficiency. This is especially important as the Executive develops its multi-year budget.

Last year, the Department secured additional funding during the in-year Monitoring rounds to support an increase in the total allocation to Affordable Warmth to £7.9m, to allow approximately 2,120 approvals to be made. This was very welcome news, to help mitigate adverse impact across all Section 75 groups and address domestic energy inefficiencies.

We understand the Department submitted a bid this year during the June monitoring round to increase budget for the scheme's delivery, however this was unfortunately unsuccessful. Given the scale of the challenge and the consequences of inaction, this was deeply disappointing.



We urge the Department to continue to make the case for additional capital for the scheme. NEA NI will continue to engage with the Executive on the matter of utilising Barnett Consequential funding for action on fuel poverty and domestic energy efficiency.

## ***2) Deliver a new Fuel Poverty Strategy for Northern Ireland***

There is a clear need for a strategic, cross-departmental, and cross-sectoral approach to tackle fuel poverty in NI and it must be underpinned by a new Fuel Poverty Strategy.

In response to the consultation on the draft strategy in March 2025, NEA NI welcomed its key objectives, proposed outcomes, and actions but noted concerns regarding the absence of specific, measurable targets – especially a clear target for reducing fuel poverty. It is our view that the strategy must include the **introduction of a statutory fuel poverty target** to be effective. It must also **introduce minimum energy efficiency standards**, especially for the private rented sector. We understand that a consultation report is due to be published in the coming months, and we are eager to see this and the publication of the finalised strategy.

We also urge that the finalised strategy be backed by comprehensive funding and a detailed action plan for effective implementation. While development of the strategy is on a positive trajectory, it will achieve very little meaningful change without adequate funding. **We urgently call on the Department for Communities to ensure money is allocated to the delivery of the new strategy.**

## ***3) Deliver an Anti-Poverty Strategy for Northern Ireland***

NI needs a robust and meaningful Anti-Poverty Strategy. It is deeply disappointing therefore, that **the Executive's draft strategy does not meet the criteria of a reasonable strategy and is not fit for purpose.** Along with over 75 organisations and individuals, NEA NI is a co-signatory of an [Open Letter](#) (July 2025) asking the NI Executive to withdraw their support of the draft Anti-Poverty Strategy, on the basis that it is more harmful to have a strategy that will not address poverty, than no strategy at all.

As noted in the open letter, the sector is committed to working with the Department and the wider Executive in good faith to eradicate poverty in NI. We urge DfC to meaningfully engage with the huge volume of research that has been produced by the Independent Expert Advisory Panel (2020), the Anti-Poverty Strategy Co-Design Group (2022), the Welfare Reform Mitigation Review (2021), the Discretionary Support Review (2022) and the hundreds of pages of



NI specific evidence produced by organisations and academics that provides clear evidence of the interventions that work to tackle poverty, to **develop a meaningful strategy with properly defined and specific actions, targets and timelines.**

***4) Work with and support NICCY and COPNI to protect babies, children, young people and older people from fuel poverty***

As outlined above, older people, babies and young children are among those most vulnerable to fuel poverty and its impacts. Living in a cold home creates health risks for people of all ages, but particularly younger and older people. It is associated with a significantly greater risk of health problems, both physical and mental health.

To mitigate against fuel poverty as an adverse differential impact of this budget, the Department should continue to engage with the NI Commissioner for Children and Young People (NICCY) and the Commissioner for Older People (COPNI) on the issue of fuel poverty specifically. The Department should work with NICCY and COPNI to limit the impact of fuel poverty on the equality groups, especially where fuel poverty poses a risk to their rights. For example, Article 27 of the UNCRC states that “Every child has the right to a standard of living that is good enough to meet their physical and social needs and support their development. Governments must help families who cannot afford to provide this.”<sup>5</sup> Ensuring children have a warm home is crucial to this.

**Q4: Moving forward, to support development of the Executive’s comprehensive 5-year budget sustainability plans, the Department has commenced development of its own 5-year Departmental Plan. Please provide your views on how the Department should shape future service delivery, and how this could be achieved with limited resources, for example, through revenue raising, savings delivery measures, or other options?’**

We fully recognise the difficult fiscal environment and the competing pressures on the Executive’s finite resources. However, we believe that **investment to address fuel poverty is both urgent and cost-effective.** For example, greatly improving the fabric and heating of our homes represents the most cost-effective long-term solution for tackling high energy bills and helping eradicate

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<sup>5</sup> UNICEF (2024). [‘A Summary of the UN Convention on the Rights of the Child’](#).



fuel poverty. In development of its Plan, the Department should maintain meaningful engagement with service delivery partners and organisational experts. It should also consider the findings of previous consultations on revenue raising and savings delivery measures.

**Q5. Are there any other comments you would like to make in regard to this pro forma or the consultation process generally?**

It is disappointing that the 2025-26 Budget was yet again a single-year budget, but it is welcome that the Executive is now towards a **multi-year budget**. This is essential to allow for longer-term planning and transformation. Within the multi-year budget, we want to see **clear funding commitments to ensure the delivery of the forthcoming Fuel Poverty Strategy and the Warm, Healthy Homes Scheme**.

For further information, please contact:

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