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Date: 01 June 2023

To: All Northern Ireland Council Chief Executives, via email

Dear Chief Executives

AFFORDABLE WARMTH SCHEME, ENDING TARGETING

I am writing to issue formal notification that the Department has decided to remove targeting from the Affordable Warmth Scheme (AWS). I am therefore providing 3 months' notice, as set out in the Service Level Agreement, that the Scheme will change from 1 September 2023, when full delivery will be taken over by the Northern Ireland Housing Executive (NIHE) as a single scheme operator and targeting through local councils will end.

This has been a very difficult decision for the Department to take. Both the capital and resource budget for the AWS 23/24 are under severe pressure – with capital being reduced by 12.5% and resource by 5%. The budget Equality Impact Assessment, launched on the 10 May, highlighted that a reduction in budget could lead to the closure of the Affordable Warmth Scheme, which would significantly impact those people living in fuel poverty at this time of high energy prices. Therefore, this decision has been made to reduce the cost of delivering the Scheme in order to remove the risk of Scheme closure.

The NIHE is developing processes to receive applications from September and the Department will liaise closely with council officials as this work progresses. In the meantime, the Department is maintaining its ask of 20 referrals per month over the notice period. Councils will be reimbursed for this in the normal manner.





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I met with your senior officer to give them advance notice of this decision on 30 May. We will, of course, continue this intense collaboration and consultation with council and NIHE officials on transitional arrangements, including a robust communication plan to facilitate the move to the NIHE. We are committed to maintaining a 'worst first' approach and we will ensure that this change to scheme delivery is communicated in a way that is easily understood.

I would like to thank councils for your substantial contribution to the Affordable Warmth Scheme. With your assistance the Scheme has helped just over 26,000 households with over 47,000 energy efficiency measures installed to date. We look forward to engaging with you in the near future as we develop proposals for an energy efficiency scheme to replace the AWS.

Yours sincerely,

DAVID POLLEY

Director of Housing Supply Policy