

Appendix 1 - Rural Needs Impact Assessment (RNIA) Template – Accessible Version

SECTION 1 – Defining the activity subject to Section 1(1) of the Rural Needs Act (NI) 2016

1A. Name of Public Authority.

Department for Communities

1B. Please provide a short title which describes the activity being undertaken by the Public Authority that is subject to Section 1(1) of the Rural Needs Act (NI) 2016.

Warm Healthy Homes Fund (to replace the Affordable Warmth Scheme)

1C. Please indicate which category the activity specified in Section 1B above relates to.

- Developing a Policy Strategy Plan
- Adopting a Policy Strategy Plan
- Implementing a Policy Strategy Plan
- Revising a Policy Strategy Plan
- Designing a Public Service
- Delivering a Public Service

1D. Please provide the official title (if any) of the Policy, Strategy, Plan or Public Service document or initiative relating to the category indicated in Section 1C above.

Warm Healthy Homes Fund

1E. Please provide details of the aims and/or objectives of the Policy, Strategy, Plan or Public Service.

The Department for Communities' long-term ambition is to improve the energy efficiency of Northern Ireland's housing stock, thereby reducing carbon emissions and helping to keep homes comfortably warm at an affordable cost. To do this it plans to introduce a new fuel poverty energy efficiency scheme as the Department's main fuel

poverty intervention and energy efficiency scheme for private sector dwellings. The new scheme will be introduced in Northern Ireland in April 2026 and will replace the current Affordable Warmth Scheme (ending in March 2028) and will be known as the 'Warm Healthy Homes Fund' (WHHF).

1F. What definition of 'rural' is the Public Authority using in respect of the Policy, Strategy, Plan or Public Service?

- Population Settlements of less than 5,000 (Default definition).
- Other definition (Provide details and the rationale below).
- A definition of 'rural is not applicable'

Details of alternative definition of 'rural' used.

Click or tap here to enter text.

Rationale for using alternative definition of 'rural'.

Click or tap here to enter text.

Reasons why a definition of 'rural' is not applicable.

Click or tap here to enter text.

SECTION 2 - Understanding the impact of the Policy, Strategy, Plan or Public Service

2A. Is the Policy, Strategy, Plan or Public Service likely to impact on people in rural areas?

Yes No

If the response is **NO GO TO Section 2E.**

2B. Please explain how the Policy, Strategy, Plan or Public Service is likely to impact on people in rural areas.

The Warm Healthy Homes Fund (WHHF) is likely to have a significant and positive impact on people living in rural areas. The strategy recognises that many rural households rely on unregulated fuels such as oil and solid fuel, which can be more expensive and less efficient. To address this, the WHHF will prioritise low-income and vulnerable households, many of whom live in rural areas with older, less energy-efficient housing. This scheme will provide whole-house retrofits, including insulation, heating upgrades, and renewable energy installations including solar panels and battery storage, which are particularly beneficial for off-grid rural homes.

Furthermore, the WHHF commits to increasing access to trusted energy advice through accredited installers, recognising that rural residents may face barriers to accessing information and support.

Finally, the WHHF aligns with the Just Transition principle, ensuring that rural communities are not left behind in the shift to low-carbon energy systems. It acknowledges the unique challenges faced by rural households, such as higher upfront costs and limited supplier options, and seeks to mitigate these through effective assessment, design and planning of retrofit upgrades.

2C. If the Policy, Strategy, Plan or Public Service is likely to impact on people in rural areas differently from people in urban areas, please explain how it is likely to impact on people in rural areas differently.

Rural households are more likely to rely on unregulated fuels such as oil and solid fuels, which are often more expensive and subject to supply issues. These households also tend to live in older, less energy-efficient homes, increasing their vulnerability to fuel poverty. Recognising this, the WHHF will use a Whole House Approach, ensuring the fabric of the property is of sufficient standard before the householder can avail of any heating solutions or renewable technologies. The measures available are provided in priority order, starting with the measure which will most improve the energy efficiency of the property. No customer contribution will be necessary. A Home Assessment will be carried out on the property to determine what works are necessary. A heating system will be offered where the existing heating system needs to be replaced or where it is found to be inefficient and beyond economic repair. Air Source Heat Pump (ASHP) will be offered as primary heating measure to households, where property is found to be suitable post Home

Assessment. Oil boiler will only be offered where no alternative system is available. A biomass boiler may be installed where deemed suitable for the property. New radiators, thermostatic valves and heating controls will be offered to households, where needed, subject to Home Assessment. Photovoltaic Panels (PV) and battery storage offered to properties where applicant has availed of a heat pump to assist in offsetting electricity running costs. Additionally, the WHHF acknowledges that rural residents may face greater barriers in accessing energy advice and support services due to geographic isolation or limited digital connectivity. To address this, the Department will include the requirement within associated legislation that the Managing Agent will ensure that energy advice is provided to the householder and registered contractors are trained to engage with vulnerable households.

2D. Please indicate which of the following rural policy areas the Policy, Strategy, Plan or Public Service is likely to primarily impact on.

- Rural Businesses
- Rural Tourism
- Rural Housing
- Jobs or Employment in Rural Areas
- Education or Training in Rural Areas
- Broadband or Mobile Communications in Rural Areas
- Transport Services or Infrastructure in Rural Areas
- Health or Social Care Services in Rural Areas
- Poverty in Rural Areas
- Deprivation in Rural Areas
- Rural Crime or Community Safety
- Rural Development
- Agri-Environment
- Other (Please state)

Click or tap here to enter text.

If the response to Section 2A was YES GO TO Section 3A.

2E. Please explain why the Policy, Strategy, Plan or Public Service is NOT likely to impact on people in rural areas.

Click or tap here to enter text.

SECTION 3 - Identifying the Social and Economic Needs of Persons in Rural Areas

3A. Has the Public Authority taken steps to identify the social and economic needs of people in rural areas that are relevant to the Policy, Strategy, Plan or Public Service?

Yes No

If the response is **NO GO TO Section 3E.**

3B. Please indicate which of the following methods or information sources were used by the Public Authority to identify the social and economic needs of people in rural areas.

- Consultation with Rural Stakeholders
- Consultation with Other Organisations
- Surveys or Questionnaires
- Published Statistics
- Research Papers
- Other Publications
- Other Methods or Information Sources (include details in Question 3C below).

3C. Please provide details of the methods and information sources used to identify the social and economic needs of people in rural areas including relevant dates, names of organisations, titles of publications, website references, details of surveys or consultations undertaken etc.

To identify the social and economic needs of people in rural areas, a range of methods and evidence sources were used during the development of the Warm Healthy Homes Strategy 2026–2036; of which the Warm Healthy Homes Fund (WHHF) is a key initiative. As part of the Warm Healthy Homes Strategy consultation, views were sought on the policy for the WHHF. There was widespread agreement that the scheme prioritises low-income and vulnerable households living in the poorest-performing properties and that a whole house approach should be taken. The WHHF will offer a package of measures such as insulation, draught proofing and ventilation, alongside heating systems incorporating low-carbon heat solutions and renewable technologies. This will benefit rural properties to a greater extent than urban properties as they rely more on oil-based heating systems as

opposed to more economic and efficient LPG gas-based heating systems that are mainly installed in urban networks. A Fuel Poverty Project Board was established, comprising senior officials from Executive Departments including the Department for Communities (DfC), Department for the Economy (DfE), The Executive Office (TEO), Department of Agriculture, Environment and Rural Affairs (DAERA), and Department of Health (DoH), alongside representatives from the Northern Ireland Housing Executive (NIHE), Consumer Council NI (CCNI), and the Northern Ireland Authority for Utility Regulation (NIAUR). This Board provided strategic oversight and ensured that rural issues were considered throughout the development of the strategy. A Fuel Poverty Reference Panel was also convened, bringing together academics, voluntary and community sector representatives, and Section 75 group advocates. The panel worked closely with officials to provide evidence-based advice, identify gaps in provision, and ensure that rural perspectives were reflected in the strategy's design and delivery. To gather direct insights, a series of workshops and focus groups were held, including two specifically focused on rural needs. These sessions engaged organisations working with rural populations and individuals with lived experience of fuel poverty in rural areas. The Public Consultation on the draft Fuel Poverty Strategy, which included a section on the WHHF, ran from 12 December 2024 to 6 March 2025. The Rural Community Network was among the stakeholders who contributed to the consultation process, offering valuable insight into the specific challenges faced by rural households. A number of consultation responses highlighted rural considerations. In recognition of this, the Strategy explicitly acknowledges these issues and demonstrates how stakeholder input has informed its development, and therefore the WHHF development, ensuring that rural needs are comprehensively addressed.

3D. Please provide details of the social and economic needs of people in rural areas which have been identified by the Public Authority?

Rural households are more likely to depend on unregulated energy sources such as oil and solid fuels. These fuels are often more expensive and subject to price volatility, which increases the risk of fuel poverty in rural areas.

Rural homes tend to be older and have lower energy efficiency standards compared to urban housing. This contributes to higher heating costs and greater difficulty in maintaining warm, healthy living conditions.

People in rural areas may face barriers in accessing energy advice, financial support, and retrofit schemes due to geographic isolation, limited digital connectivity, and fewer local service providers. The WHHF recognises that rural communities require bespoke solutions. This includes the need for energy advice, improved referral pathways, and local delivery models to ensure support reaches those most in need.

<https://www.nisra.gov.uk/publications/labour-force-survey-annual-tables-2024>. The NISRA Labour Force Survey (LFS) reports the Average Weekly Household income by Urban/Rural split. Based on Family Resource Survey data from 2023/24, the Average weekly household income for Urban households is £904 compared to £1039 for Rural households. Furthermore, a higher proportion of the Rural population are self-employed at 12.4% compared to 6% of the Urban population. 8.4% of the Urban population are Economically inactive due to long term sickness/disability, compared to 5.8% of the Rural population.

The LFS for 2024 states:

- 39.2% of the Urban population aged 16 and over are Economically Inactive compared to 34.7% of the Rural population aged 16 and over.
- For the population aged 16-64 this is 26% of the Urban population aged 16-64 are

Economically Inactive compared to 21.7% of the Rural population aged 16 to 64

If the response to Section 3A was YES GO TO Section 4A.

3E. Please explain why no steps were taken by the Public Authority to identify the social and economic needs of people in rural areas?

Click or tap here to enter text.

SECTION 4 - Considering the Social and Economic Needs of Persons in Rural Areas

4A. Please provide details of the issues considered in relation to the social and economic needs of people in rural areas.

Rural households are disproportionately reliant on unregulated fuels such as oil and solid fuel, which are more expensive and subject to price volatility. Many rural homes are older and less energy efficient, contributing to higher heating costs and increased vulnerability to cold, damp, and mould. People in rural areas may face barriers to accessing energy advice, financial support, and retrofit schemes due to geographic isolation, limited digital connectivity, and fewer local service providers.

The WHHF recognises this as a key driver of fuel poverty in rural areas and includes the provision of renewable heating solutions (following fabric first) such as Air Source Heat Pump, photovoltaic panels and batteries to remove the reliance on oil or solid fuel as a main home heating source.

To address this, the Department will include in the WHHF regulations a requirement for the Managing Agent to ensure energy advice is provided to the householder and registered contractors are trained to engage with vulnerable households.

In 2024-25, rural dwellers (7%) were less likely to live in a socially rented property than their urban counterparts (15%), according to findings from NISRA's Continuous Household Survey (CHS). This is perhaps unsurprising as access to social housing is more limited in rural areas. Rates of owner-occupation remained substantially higher in rural (77%) than in urban areas (66%).

Both rural and urban household incomes can at times fall below either relative or absolute poverty levels. However, overall figures for rural areas can disguise intra-rural differences in the experience of poverty. In 2023-24, relative and absolute poverty levels in rural households more than an hour's journey from Belfast were higher than those of rural areas closer to the city. (DAERA Key Rural Issues, Northern Ireland 2025)

In 2023-24, a greater proportion of children was in relative poverty in urban areas than rural areas, with more than a quarter (29%) of the urban children in this category. This trend is mirrored in the 'working age' groups across both poverty types, with those in urban areas substantially more likely to be in relative or absolute poverty than their rural counterparts. In 2023-24, rural pensioners were substantially more likely to be in relative poverty (17%) compared to their urban counterparts (8%). (DAERA Key Rural Issues, Northern Ireland 2025)

SECTION 5 - Influencing the Policy, Strategy, Plan or Public Service

5A. Has the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or delivery of the Public Service, been influenced by the rural needs identified?

Yes No

If the response is **NO GO TO Section 5C.**

5B. Please explain how the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or delivery of the Public Service, has been influenced by the rural needs identified.

The Warm Health Homes Fund has been developed through a process of co-design with ongoing engagement and collaboration with partner organisations including those with a rural focus. In addition to this the WHHF development process has included input from focus groups and workshops in which the voices and concerns of those in or at risk of fuel poverty including those living in rural settings were heard and their experiences reflected in the Policy Statement and Consultation.

The main issues identified included the absence of a gas network, reliance on oil and solid fuels, poor energy efficiency in homes, and older 'harder to treat' properties.

These insights directly informed the WHHF design, leading to:

Mandatory Fabric First approach

- Loft and cavity wall insulation will be mandatory for all properties that are suitable or existing must be found to be of a standard deemed acceptable by the Home Assessment before availing of other measures.
- Loft insulation
- Cavity Wall Insulation (with policy to extract fibre glass insulation where present.)
- Draught Proofing & Ventilation
- Replacement windows (single-glazed windows will be replaced with double-glazed windows. Double-glazed windows offered when existing windows are beyond repair.
- Solid Wall Insulation - Will be available for those 'hard-to-treat' detached properties only that are deemed suitable.

Heating & Renewable Measures

- Solar Photovoltaic Panels and energy storage (battery) will be offered to homes in order to assist with savings in energy costs.
- A heating system will be offered where the existing heating system needs to be replaced or where it is found to be inefficient and beyond economic repair. Air Source Heat Pump (ASHP) will be offered as primary heating measure to households.
- Oil boiler only offered where no alternative system is available.
 - A biomass boiler if deemed suitable for the property.
 - New radiators, thermostatic valves and heating controls will be offered to households, where needed, subject to Home Assessment.

- Photovoltaic Panels (PV) and battery storage will be offered to properties where applicant has availed of a heat pump to assist in offsetting electricity running costs.

If the response to Section 5A was YES GO TO Section 6A.

5C. Please explain why the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or the delivery of the Public Service, has NOT been influenced by the rural needs identified.

Click or tap here to enter text.

SECTION 6 - Documenting and Recording

6A. Please tick below to confirm that the RNIA Template will be retained by the Public Authority and relevant information on the Section 1 activity compiled in accordance with paragraph 6.7 of the guidance.

I confirm that the RNIA Template will be retained and relevant information compiled.

Rural Needs Impact Assessment undertaken by:

Gillian Hynes (Updated by Janine Coey)

Position/Grade:

Deputy Principal

Division/Branch:

Home Energy Branch

Signature:

Janine Coey

Date:

02/04/2026

Rural Needs Impact Assessment approved by:

Angus Kerr

Position/Grade:

Director (Grade 5)

Division/Branch:

Climate Change Division

Signature:

Angus Kerr

Date:

18/05/2026