



COMMITTEE FOR THE EXECUTIVE OFFICE

Room 254

Parliament Buildings

Tel: 028 9052 1928

Email: Committee.Executive@niassembly.gov.uk

FROM: Nick Mitford, Clerk to the Committee for the Executive Office

DATE: 19 January 2026

TO: Peter McCallion, Clerk to the Committee for the Economy

RHI (Closure of Non-Domestic Scheme) Bill.

Dear Peter,

At its meeting on 14 January 2026, the Committee for the Executive Office considered correspondence from The Executive Office in relation to your correspondence on 21 November 2025 regarding the RHI (Closure of Non-Domestic Scheme) Bill.

The Committee agreed to forward a nil response and I would be grateful if you could bring this to the attention of your Committee.

Best regards

Nick Mitford
Clerk to the Committee for the Executive Office



Committee for Justice

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Email: [REDACTED]

From: Kathy O’Hanlon, Clerk to the Committee for Justice
Date: 28 November 2025
To: Peter McCallion, Clerk to the Committee for the Economy
Subject: RHI (Closure of Non-Domestic Scheme) Bill

Dear Peter,

At its meeting on 27 November 2025, the Committee for Justice considered your correspondence of 21 November 2025 regarding the RHI (Closure of Non-Domestic Scheme) Bill call for evidence.

The Committee agreed to forward a Nil response.

Kind regards

Kathy O’Hanlon
Clerk to the Committee for Justice



**Northern Ireland
Assembly**

Committee for Communities

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RESPONSE TO THE COMMITTEE FOR THE ECONOMY ON THE COMMITTEE STAGE OF THE RHI (CLOSURE OF NON-DOMESTIC SCHEME) BILL

Introduction

1. This paper sets out the response from the Committee for Communities to the Committee for the Economy's call for views on the RHI (Closure of Non-Domestic Scheme) Bill ("the Bill"). The request for views was issued by the Clerk to the Committee for the Economy on 21 November 2025.
2. The Committee for Communities welcomes the opportunity to contribute to the Committee Stage scrutiny of this legislation. While the Department for the Economy is responsible for the Non-Domestic Renewable Heat Incentive (RHI) Scheme, a number of important cross-cutting issues fall within the remit of the Department for Communities (DfC). These include the voluntary and community sector; sport and leisure (including sports clubs and community facilities); culture, arts and heritage buildings; and local government and council-owned facilities.

3. This submission sets out the Committee for Communities' view on the Bill as it relates to areas within the DfC remit and highlights issues that the Committee considers merit particular attention during the Economy Committee's scrutiny of the Bill and in particular in relation to any subsequent delegated legislation.

General Position

5. The Committee for Communities recognises that the Non-Domestic RHI Scheme was established with the policy aim of encouraging renewable heat and contributing to decarbonisation, but that serious design and governance failures led to the well-documented "Cash for Ash" scandal and significant damage to public finances.

6. The Committee notes that:
 - the *New Decade, New Approach* agreement included a commitment that RHI would be closed and replaced by a scheme that effectively cuts carbon emissions;
 - in July 2024, the Executive agreed a preferred option to close the Non-Domestic RHI Scheme; and
 - the Bill is presented by the Department for the Economy as the necessary primary-legislation step to enable detailed closure arrangements to be implemented by way of regulations under section 113 of the Energy Act 2011.

7. On this basis, and reflecting the broad support expressed at Second Stage, the Committee for Communities recognises that:
- the existing Non-Domestic RHI Scheme should move to a clear and time-bound closure; and
 - the Department for the Economy requires appropriate statutory power to bring forward detailed closure arrangements, including legacy payment mechanisms for participants, through delegated legislation.
8. At the same time, the Committee for Communities is keenly aware of three overarching considerations:
- (a) **Lessons from RHI and the need for restored confidence** – The RHI Inquiry and subsequent scrutiny by the Northern Ireland Audit Office highlighted systemic weaknesses in policy development, governance, business case preparation and oversight. While there has been progress in implementing the Inquiry’s recommendations, further work is still required to fully address all of the underlying issues.
- (b) **The position of good-faith participants** – Many scheme participants, including organisations within sectors overseen or supported by DfC, entered the scheme in good faith, made significant capital investments, and planned on the basis of long-term support payments which Government actively promoted at the time. These participants should not be conflated with those who sought to exploit weaknesses in the scheme design.
- (c) **The cross-cutting impact of closure decisions** – The detailed design of closure arrangements, particularly any changes to payment levels or

conditions, could have knock-on effects for community halls, sports clubs, churches and other voluntary and community sector (VCS) bodies, for council-owned facilities, and for wider objectives around fuel poverty, community regeneration and decarbonisation.

9. Subject to the comments set out in this response, the Committee for Communities supports the broad policy intention behind the Bill. The Committee's main concerns relate to the enabling nature of the legislation, the adequacy of future scrutiny of regulations, and the need to safeguard cross-cutting community interests.

10. **Recommendation:** The Committee for Communities recommends that the Committee for the Economy seek clear assurances from the Minister for the Economy that the closure of the Non-Domestic RHI Scheme will be taken forward in a way that:

- fully reflects the lessons from the RHI Inquiry and subsequent NIAO reports;
- fairly recognises the position of good-faith participants, including those in the community, voluntary, faith and local government sectors; and
- is aligned with wider Executive objectives on decarbonisation, fuel poverty and community wellbeing.

Areas of Direct Relevance to the Department for Communities Remit

11. The Department for the Economy's published list of Non-Domestic RHI beneficiaries shows that, alongside commercial and agricultural users, the scheme has supported a range of other organisations.

12. Beneficiaries include churches, sports clubs, meeting halls and other community-facing organisations. Some council-owned facilities, such as leisure or sports complexes, also have accredited installations under the scheme.

13. Many of these bodies deliver outcomes that sit within the DfC remit, for example:

- reducing social isolation and supporting mental health and wellbeing through community halls and church-based activities;
- promoting sport and physical activity via local clubs and leisure centres;
- providing arts, cultural and heritage activities in buildings that can be costly to heat and maintain; and
- supporting youth work, community development and good relations in shared spaces.

14. The closure of the Non-Domestic RHI Scheme and the restructuring of payments may therefore affect community infrastructure that underpins DfC's strategic objectives. In particular:

- Some organisations may have structured their finances around assumed RHI income streams in order to sustain services in otherwise marginal facilities, particularly in rural areas.
- If closure arrangements significantly reduce or remove support for compliant installations in these sectors, there may be increased pressure on DfC, its arm's-length bodies and local government to fill gaps through other funding streams.

- There is a risk that any uneven impact across different localities or sectors could exacerbate existing inequalities in access to community, sports and cultural facilities.

15. The Committee for Communities considers that **these cross-cutting implications should be considered in the design and scrutiny of closure regulations.**

16. **Recommendation:** The Committee for Communities recommends that the Committee for the Economy seek assurances from the Department for the Economy that:

- the impact of proposed closure payments should be assessed by participant type and sector, including community halls, sports clubs, churches and council-owned facilities; and
- DfC be formally consulted on the implications for the community, voluntary, faith and local government sectors and on any potential knock-on demand for its own programmes.

Legislative Approach and Scrutiny of Subordinate Legislation

23. The Committee for Communities notes that the Bill is short and technical, comprising two clauses, and that the substantive measures will be set out by way of regulations made under section 113 of the Energy Act 2011, as amended by the Bill.

24. The Committee further notes that:

- previous RHI Regulations made under section 113 have been subject to the draft affirmative procedure, as confirmed by their Explanatory Memoranda; and
- clause 1(11) ensures that regulations made under the new powers will follow the same draft affirmative procedure as other regulations under section 113, meaning that they will be laid in draft and must be approved by the Assembly before they can come into operation.

25. However, the Committee is concerned that, given the history of RHI and the breadth of the regulation-making power, including the potential for retrospective provisions and changes to long-standing payment expectations, it is especially important that:

- All Assembly Members have sufficient time and information to scrutinise the detailed regulations;
- all relevant Committees, including the Committee for Communities, have a meaningful opportunity to consider cross-cutting impacts; and
- stakeholders, particularly smaller community and voluntary organisations, are able to understand and respond to the proposals in a fully informed way.

26. The Committee notes that the Department has recently consulted on the broad closure proposals, including the proposed use of historic heat usage (2017–2019) and uplifted tariffs as the basis for annual legacy payments. While this consultation is welcome, the Committee considers that it does not remove the need for thorough Assembly scrutiny of the final regulations.

Fair Treatment of Good-Faith Participants and Proportionality

30. The Committee for Communities accepts that it is correct to design closure arrangements that protect the public purse and incentivise continued use of renewable heating. However, it wishes to highlight particular considerations for participants in sectors within the DfC remit:

- smaller community organisations, churches and sports clubs may have limited administrative capacity. Complex registration or evidential requirements could burden compliant, good-faith participants;
- the use of a fixed historic reference period (2017–2019) may not fully reflect the circumstances of facilities whose usage patterns have changed, for example due to the COVID-19 pandemic or subsequent community-use expansion. There may need to be a clear and accessible mechanism for such cases to be reviewed; and
- in some instances, RHI payments may underpin the financial viability of facilities that are central to community life. A sudden or steep reduction could have wider social consequences that are not captured in narrow financial assessments.

31. **Recommendation:** The Committee for Communities recommends that the Committee for the Economy seek assurances that the closure regulations will:

- incorporate accessible appeal and review mechanisms, suitable for smaller community and voluntary sector participants as well as larger commercial entities;
- be accompanied by an equality, rural needs and social-impact analysis that explicitly considers impacts on community facilities, including sports clubs, churches and heritage or cultural venues.

Conclusion

38. In summary, the Committee for Communities:

- supports the general policy intention of the RHI (Closure of Non-Domestic Scheme) Bill, namely to provide the Department for the Economy with the necessary powers to bring forward regulations to close the Non-Domestic RHI Scheme in line with Executive commitments;
- recognises the importance of closing the scheme in a way that is fair to good-faith participants and to taxpayers, and that restores confidence in public administration following the RHI scandal;
- emphasises the cross-cutting nature of the scheme's legacy, particularly for the voluntary and community sector, sports and leisure facilities, churches and faith buildings, heritage and cultural venues, and local government assets, all of which fall within or closely alongside the DfC remit; and
- notes that the Bill is primarily an enabling measure, with the substantive policy decisions to be taken through future regulations, and therefore urges that robust arrangements be put in place for consultation and Assembly scrutiny of those regulations.

39. The Committee for Communities trusts that these points will be given due consideration during the Committee for the Economy's ongoing scrutiny of the Bill and in the development of the subordinate legislation that will give effect to the closure of the Non-Domestic RHI Scheme.



**Northern Ireland
Assembly**

**Committee for Infrastructure
Room 416
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Tel: +44 (0)28 9052 1787

To: Peter McCallion, Clerk to the Committee for the Economy
From: Michael Potter, Clerk to the Committee for Infrastructure
Date: 8 December 2025
Subject: The RHI (Closure of Non-Domestic Scheme) Bill

Dear Peter,

I refer to your memo of 26 November 2025 enclosing a copy the RHI (Closure of Non-Domestic Scheme) Bill.

At its meeting on 3 December 2025, the Committee considered the Bill and EFM and had no comment to make.

Best Regards

Michael Potter
Clerk to the Committee for Infrastructure



**Northern Ireland
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**To: Peter McCallion
Clerk to the Committee for the Economy**

**From: Peter Hall
Clerk to the Committee for Finance**

Date: 10th December 2025

Subject: RHI Closure of Non-Domestic Scheme Bill

Dear Peter,

In order to fully inform our Members response to the Economy Committee's Call for Evidence on the Bill (above), the Finance Committee agreed on 26th November to request the Department of Finance's comments on this Bill.

At their meeting on 10th December the Committee considered the attached response and agreed to copy it to the Economy Committee highlighting the comments made in relation to the need to make a separate financial assessment of the Regulations made under the Bill's powers.

I would be grateful if you could bring this to your Committee's attention.

Regards,

**Peter Hall
Clerk to the Committee for Finance**

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**REQUEST FROM: FINANCE COMMITTEE – DALO READOUT - MEETING
WEDNESDAY 26 NOVEMBER 2025**

Point 4 - Members would ask the Department if it has made an assessment of the Bill's objectives, proposals and potential financial consequences and implications of the Bill. Details can be accessed here:

<https://www.niassembly.gov.uk/assembly-business/legislation/2022-2027-mandate/primary-legislation-bills-22-27-mandate/rhi-closure-of-non-domestic-scheme-bill/>

Response –

- The Minister for the Economy shared a draft of the bill with the Executive on 19th August 2025.
- DoF was content on the basis that, as per the Explanatory and Financial Memorandum (EFM):
 - There had been previous Executive agreements to close the scheme; and
 - “The Bill itself has no direct financial effects. The financial effects of the regulations made under the powers set out in the Bill will be assessed separately.”
- Should any additional funding be required as a result, it will be for the department to identify this from within existing budgets or bid for additional funding in the normal way.