EXPLANATORY MEMORANDUM TO

THE HOME HEATING OIL (TEMPORARY FINANCIAL ASSISTANCE) REGULATIONS (NORTHERN IRELAND) 2026

2026 No. 149

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Communities ("the Department") to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2 The Statutory Rule is made under sections 1(2), 1(3)(a), 3 and 4 of the Financial Assistance Act (Northern Ireland) ("the Act") and is subject to the negative resolution procedure.

1.3 A determination has been made by the First Minister and deputy First Minister and the Department for Communities has been designated as the relevant Department under section 1(1) of the Act.

1.4 The Regulations are approved by the Executive Office in accordance with section 1(4) of the Act.

2. Purpose

2.1 The purpose of these Regulations is to provide temporary financial assistance to households in Northern Ireland towards the cost of home heating oil.

2.2 The rule establishes a one-off award of £100, delivered via a digital prepaid card, for eligible households who rely on heating oil to heat their home.

3. Background

3.1 On 16 March 2026, the UK Government announced it was providing £53 million of immediate support for those households most exposed to the increased cost of heating oil. Of the available funding, £17.2 million has been allocated to Northern Ireland for 2026–27 only. A further £19.2 million has been agreed by the Executive to develop a package of support to those in low-income households.

3.2 A determination has been made by the First Minister and deputy First Minister, and the Department for Communities has been designated as the relevant Department to deliver the allocated funding to help support eligible households.

3.3 These Regulations introduce a Home Heating Oil Support Scheme ("the Scheme") to assist households with rising home heating oil costs, particularly those on lower incomes or in receipt of certain benefits.

3.4 The Scheme is a response to exceptional and rapidly emerging pressures on households arising from sharp increases in the price of home heating oil. Northern Ireland is uniquely exposed to this issue due to the high proportion of homes that rely on oil as their main source of heating, particularly in rural areas where alternatives are limited.

3.5 Price volatility has resulted in households facing substantially higher upfront fuel costs unexpectedly. Existing social security mechanisms are not designed to respond quickly or specifically enough to this form of energy financial shock. As a result, a bespoke intervention is required that can be delivered rapidly, is tightly targeted, and does not create a permanent addition to the welfare system.

3.6 The Scheme provides a one-off, non-repayable award of £100 to eligible households in Northern Ireland. The award is intended to contribute towards the cost of purchasing home heating oil during a period of exceptional price pressure.

3.7 Awards will be made only once per eligible claimant or residential address and will be available for claim within a defined application window. The award will be delivered as a digital prepaid card, rather than as a cash payment, which supports timely issue while ensuring the assistance is clearly identifiable as home heating oil support.

3.8 To qualify, claimants must be resident in Northern Ireland, rely on heating oil as their main heating source, and meet either a benefits condition or an income condition (annual net income below £30,000).

3.9 The benefits condition provides an efficient route to identify individuals already recognised as being in financial need through receipt of qualifying social security benefits. The alternative income condition (net annual income below £30,000) ensures that support is also available to low and middle-income households who may not be in receipt of benefits, but who nonetheless face affordability pressures.

3.10 A claimant's eligibility is assessed based on their circumstances during either one of two qualifying months: April 2026 or November 2026.

3.11 Certain groups are excluded where heating costs are not directly borne by an individual, including nursing home residents, care home residents, hospital in-patients, supported accommodation residents, prisoners and persons outside Northern Ireland for the entire qualifying month.

3.12 The Regulations will be operational from 14 August 2026 and will expire on 31 March 2027; no applications will be accepted outside of this period.

3.13 The award is delivered via a digital prepaid card, rather than a direct cash payment. Claimants have three months from notification of the award to generate the card details. The prepaid card will then expire one month after the card details have been issued.

3.14 The Department may annul a card under specific circumstances. The Department may also reactivate or reissue an annulled or expired card if it is of the opinion that this is appropriate.

3.15 The Department may recover the award.

3.16 Claimants have the right to an internal review of a decision on a claim.

3.17 Awards made under this Scheme will be disregarded for the purposes of calculating entitlement or income or earnings for specified Social Security benefits including: Universal Credit, State Pension Credit, Income-Related Employment and Support Allowance, Housing Benefit, Discretionary Support, and a Social Fund payment.

3.18 A third party will act on behalf of the Department to carry out delivery of the prepaid card; the third party must not make any determinations in relation to a breach of the Regulations or whether is appropriate to reactivate or reissue an annulled or expired card.

4. Consultation

4.1 The Department has concluded that there is no requirement to consult on these Regulations. The Scheme will provide a positive impact by ensuring financial assistance reaches those with acute heating oil affordability pressures throughout Northern Ireland.

5. Equality Impact

5.1 In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department has conducted a screening exercise on the legislative proposals for these Regulations and concluded that it does not expect there to be any adverse impact on people in any of the section 75 categories. The Rule will have no bearing in terms of its likely impact on equality of opportunity or good relations. In light of this, the Department considers that an Equality Impact Assessment is not necessary.

6. Regulatory Impact

6.1 A regulatory impact assessment has not been produced for these Regulations as they have no impact on the costs of business, charities or voluntary bodies.

7. Financial Implications

7.1 The UK Government and the Northern Ireland Executive will fund the Scheme; there are no, or no significant, costs imposed on any individuals or groups.

8. Section 24 of the Northern Ireland Act 1998

8.1 The Department is satisfied that these Regulations comply with section 24 of the Northern Ireland Act 1998 (Convention rights, etc.).

9. EU Implications

9.1 Not applicable.

10. Parity or Replicatory Measure

10.1 The UK Government provided funding for financial support to be delivered throughout the United Kingdom. Similar schemes are operational across the other jurisdictions within Great Britain.

11. Additional Information

11.1 Information from gas network operators is required to support verification of claims.

11.2 Regulation 13 provides that Article 63(4)(a) and (h) of the Energy (Northern Ireland) Order 2003 has effect as if the Regulations were among the statutory provisions specified in Article 63(6) of that Order. This will enable the sharing of information from gas network operators to support the verification of a claimant's eligibility for an award.