



## **CIH response to the draft Investment Strategy for Northern Ireland 2050**

This is a response to the consultation by the Northern Ireland Executive on the draft Investment Strategy for Northern Ireland 2050: A Framework for Transformation

## Comments

CIH welcomes the opportunity to respond to the draft Investment Strategy for Northern Ireland (NI). Our response will focus on the objectives within the draft framework that relate to housing. While we recognise this is a high level framework and many issues are cross-cutting, it is our view that the strategy should include housing as a key objective. The pandemic and subsequent lockdowns made the argument for safe, sustainable and affordable housing like never before.

It is our view that the development of new net-zero domestic properties and the retrofitting of existing stock must remain a key investment for the NI Executive in the time ahead and should be strongly reflected in this strategy. The economic and social benefits of increased investment in our housing stock across all tenures will bolster Northern Ireland PLC, provide an opportunity to upskill our workforce, deliver more jobs, and provide good quality homes across all tenures for those who need them.

## Housing as a specific outcome

Although not a direct criticism of this strategy, CIH would nonetheless like to state from the outset our concern regarding the absence of a specific housing outcome in the draft outcomes framework for the programme for government (PfG) despite the commitment set out in the New Decade, New Approach (NDNA) deal. The NDNA agreement stated that 'the Programme for Government outcomes framework will be augmented with a new outcome and indicators to provide specific focus on ensuring every household has access to a good quality, affordable and sustainable home that is appropriate for its needs'. While outside the immediate scope of this strategy, we believe prioritising housing as a specific

outcome would better serve top level strategies such as this one and other that sit below the overall PfG.

At this point, there remains a feeling of frustration among our members that despite the referencing of the NDNA document in the draft outcomes framework, which set out the process and approach of the programme for government, a specific housing outcome was nonetheless omitted. This omission dented the confidence within the sector that housing was a priority for the last NI Executive. We hope that the support from the five main political parties for a specific housing outcome will mean the sector will see its inclusion in the PfG during the next mandate.

In addition, CIH notes the propensity that exists to label housing as an enabler and should exist as a key priority area under a number of outcomes. CIH wants to make clear that housing can only act as an enabler for those who have access to a good quality, affordable and sustainable home. Regrettably, our extensive waiting lists for social housing demonstrate this not to be the case, notwithstanding those living in inadequate housing and those struggling to meet their housing costs. Without a specific housing outcome in any forthcoming programme for government (PfG), we will continue to fail those who do not have a home appropriate to their needs. We reference this because it is important that the Investment Strategy does not similarly view housing in this manner and will instead be considered as an objective in its own right.

### **Responding to the climate emergency**

CIH welcomes the prioritisation of the climate emergency within this strategy. It is our view that the net-zero agenda in combating the climate emergency should be a focus, no less, in not only how we build our houses, but how we retrofit our current homes and how we live in them. As we continue to improve the energy efficiency of

our homes in a bid to tackle rising consumption levels, decarbonisation must be scaled up to change how our homes are heated through the implementation of renewable technologies across all housing tenures; understandably this change will come at a cost. It is the firm view of CIH that this cost must not be passed on to low-income consumers, which risks pushing households into further poverty.

### **Our changing population**

Our changing population requires significant investment in our housing stock. As we live longer, our needs at home will change. Much positive work by our members has already begun which enables people to live in their homes for longer. However, further investment will be needed to ensure this work can continue at scale; this primarily includes financial investment as well as developing our community infrastructure and community healthcare to ensure elderly tenants in both rural and urban areas can live independently, and if necessary, be cared for in their own home for as long as possible.

CIH notes with concern the additional problems that await the social housing sector and those households on the waiting list, as our population, and therefore housing need, continues to grow and outstrip supply. The urgent need to build more affordable and sustainable homes at speed to help house the 40,000 plus applicants on the waiting list, will continue to increase as the population does. If we do not adequately finance and bolster our social housing development programme to meet this need in the immediate term, we are only storing up further problems for housing and risk plunging greater numbers into homelessness in the years ahead.

### **Housing as a key investment priority**

It is the view of CIH that housing should be recognised as a key investment objective within this strategy. Although we appreciate that the objectives identified are high level and cross cutting, it would be a missed opportunity to not determine housing as one of the key investment objectives. We would ask that the inclusion of a housing objective described as the following, ‘build more sustainable and affordable homes for those who need them’ be considered as a key investment objective. The return on investment in providing more homes for those who need them is well-evidenced and the positive impact it has on outcomes across health, justice and education need not be rehearsed. We nonetheless wish to make clear that we are in agreement with the inclusion of the other five key investment objectives laid out in the draft.

### **Decarbonising our assets**

CIH welcomes the use of the term ‘just transition’ when referencing the decarbonisation of assets within the strategy. One example of the importance of linking these two proponents together is the stark rise of fuel poverty, particularly since the rapid emergence of the cost of living crisis. Currently the percentage of households living in fuel poverty in Northern Ireland is much greater in comparison to that of England and Wales.<sup>1</sup> The House Condition Survey (2016) estimated that an approximate 22 per cent of households in Northern Ireland were in fuel poverty.<sup>2</sup> Whilst the contributing factors are complex and the solutions multi-faceted, decarbonisation ambitions must be met with significant investment to ensure that no household faces falling into fuel poverty as a result of retrofitting works or complex technical solutions to greening our homes.

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<sup>1</sup> *Northern Ireland Fuel Poverty Coalition*, <http://fuelpovertyni.org/>

<sup>2</sup> House Condition Survey 2016, *NIHE*, p.17, <https://www.nihe.gov.uk/Documents/Research/HCS-2016-Main-Reports/HCS-Main-Report-2016.aspx>

It is vital that this investment strategy includes actions to upskill our workforce in NI as we work to decarbonise our assets. As it stands, there is an acute need for an increase in installers to retrofit existing buildings with energy efficiency and clean heat measures. As the professional body for housing, CIH is willing to engage with SIB, the Executive Office and the Department for Communities on this element of workforce accreditation in relation to greening our housing stock moving forward.

The success of decarbonising our housing stock will also depend on behavioural change. People will have to operate their heating in completely different ways than before. Consumer education and training more broadly will be crucial to the success of new technologies to prevent some of the current experiences where homes are built to high energy efficiency standards, but residents and/or contractors may not have the knowledge to effectively work with the technology.

The phenomenal increase in fossil fuel prices has highlighted the importance of the retrofit project which recognises the human impact of poorly insulated homes as well as the environmental consequences. The refurbishment and retrofitting of existing stock will require substantial investment; again, it is difficult to talk about improving housing quality without the recognition that the revitalisation of the Housing Executive is paramount to this task. Building new, green, zero-energy homes is vital, but the need to make fabric changes to existing properties within the social market is crucial if we are to reduce domestic carbon emissions, tackle fuel poverty and future proof domestic properties. Investment beyond that of the UK Government's current £3.8bn Social Housing Decarbonisation Fund (SHDF) will be required.

We can no longer take a linear view of housing as simply accommodation. The climate emergency and the rise of new initiatives such as the '20-minute neighbourhood' or '15-minute city' that we have seen develop in places like

Melbourne and Paris, show the interconnection between our homes, workplaces and local amenities. CIH welcomes the inclusion of such initiatives as case studies within this draft strategy. A more integrated and innovative approach like that of the 20-minute neighbourhood is required to enable us to think more strategically about where our homes are placed, the mix of house types available and the surrounding community infrastructure required.

As it stands, progress is being made towards improving the energy efficiency of our homes with around 49 per cent achieving an EPC C rating or above. However, this progress is not uniform. 79 percent of social rented homes already achieve this, compared to the 45 per cent of owner-occupied homes and 43 per cent of private rented homes. It is our view that there should be a uniform standard across all tenures; any differential in standards between those privately renting, domestic homeowners and social housing tenants would be unsatisfactory. Therefore, while we welcome the inclusion of building all new domestic properties to an EPC band A, considerable investment is required to ensure our current stock is not left behind.

### **Adaptation and Mitigation**

One of the continuing barriers to housing development in NI is the lack of appropriate wastewater infrastructure. We agree with comments made that the current small legacy treatment works to our wastewater infrastructure are unsustainable, inefficient and costly. Therefore, we are pleased to see the 'Living with Water' approach is being considered by the Department for Infrastructure to deal with flooding and drainage. Hard-engineered solutions like this will help deal with the on-going wastewater infrastructure problems that prevent the building of new houses where they are needed.

### **Investing in housing**

CIH welcomes the recognition that improvement of existing housing is critical to building sustainable communities. From our perspective, this includes investment in areas beyond bricks and mortar. The full publication and implementation of the Fundamental Review of Housing Allocations will help to prevent the further residualisation of communities.

It remains our view that the development of mixed-tenure communities will also contribute to the building and maintenance of sustainable communities. While it is positive that we have seen the gradual introduction of mixed-tenure policies within local development plans (LDP), it is important that the next NI Executive does not allow a sole focus on supply to undermine the importance of rolling out a widespread policy of mixed-tenure housing developments. Mixed-tenure brings an end to whole-scale social housing developments that due to outdated aspects of the allocations system can inadvertently contribute to the stigmatisation of social housing itself. By encouraging mixed-tenure, we are bringing people together, creating more diverse communities and avoiding the residualisation of social housing that has taken place over time.

We also welcome the inclusion of a growth in intermediate housing products as an outcome of the strategy. The need to provide more affordable housing in NI is well-evidenced. Intermediate rent can help to alleviate the housing pressures faced across all tenures in NI and offer affordable homes to those who need them the most. As it stands, the undersupply of social housing means that many individuals and families cannot get access to a social home. For lower-income households, the financial demand of the private rental market can be burdensome, and it is for these households that we envision intermediate rent will be beneficial. It is our view that Financial Transaction Capital be used to help fund this product. We are satisfied

that FTC could be used to help plug the funding gap without compromising the funding of the social housing development programme.

## **Unlock Our Strategic Sites**

We support the inclusion of unlocking brownfield sites for use such as housing. Developing current unused land for the acceleration of house building and other uses offers great economic potential for NI. To do this at pace, it is vital we begin to look at alternative ways of constructing domestic properties such as investment in modern methods of construction (MMC). At present, we lack the skill set and workforce in NI to build these houses on brownfield sites at the pace required, but investment in MMC would allow us to attract new business and provide much needed skilled jobs for our people here.

It is vital that this sites are used to develop a mix of tenures and that priority is not given to developers who will make decision based solely on maximum return. The transformation of brownfield sites offers an opportunity to help increase and deliver upon our SHDP and offer much needed homes to those who need them the most. However, it is important that this is not done in isolation, but rather that appropriate community infrastructure involving local amenities including social, health and employment opportunities are put in place to ensure the sustainability of these new communities.

In addition to the above, our members cite lack of access to land in areas of need as a barrier to supply of social housing. We anticipate affordable housing policies in emerging local development plans will lever more of this land for social and affordable housing provision. However, we should ensure that all policy tools at our

disposal are used. While it does not represent a silver bullet, this should include a strategic use of public land for housing. To achieve this, fundamentally a transparent view of public land holdings is needed to inform decision making on land use. Executive buy-in of this strategy is needed to ensure all relevant public bodies digitise their land holdings to support this aim.

### **The challenge**

CIH agrees that the current planning policy framework and planning system places a barrier to the success of this strategy and those like it. In our *Rethinking Social Housing: The Next Steps* [report](#) we called for a level playing field to be created between new social and private developments at community consultation stage. As it stands, the planning process requires social housing developments to undergo an additional layer of community consultation beyond that asked of other tenures. Community consultation is important, which the planning system facilitates. However, the views of existing residents need to be balanced with those of people who need social homes; the added consultation for housing associations to obtain scheme approval is not representative of this balance. Its existence suggests new social housing requires 'more of a say' from communities than other tenures, which reinforces negative perceptions and misplaced fears surrounding social housing.

The issue of planning itself remains a significant one in stalling progress in areas such as housing development. A report by the NIAO published in February 2022 found that the planning system was not working with many of its main performance

targets not yet being met and the system becoming ‘increasingly financially unsustainable.’<sup>3</sup> For this strategy to be successful, there is a need to ensure more joint up working between bodies which deliver planning decisions and increased continuity across planning where variance in decision-making processes is hampering the efficiency of planning in NI.

CIH also agrees with the identification of an ageing workforce within the construction industry, as well as skills gaps where there is a need to develop more digital and green skills within the sector. As previously mentioned, the upskilling of workers will ensure growth in the building trade in areas such as modern methods of construction; with the appropriate investment, we can encourage the necessary economies of scale to attract growth within the construction industry as well as advancing Northern Ireland PLC.

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<sup>3</sup> Northern Ireland Audit Office, 2022. Planning in Northern Ireland. [online] Northern Ireland Audit Office, p.p. 11. Available at: <<https://www.niauditoffice.gov.uk/files/niauditoffice/media-files/NIAO%20Report%20-%20Planning%20in%20NI.pdf>> [Accessed 13 April 2022].



### **About CIH**

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple - to provide housing professionals and their organisations with the advice, support, and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world. Further information is available at: [www.cih.org](http://www.cih.org).

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