



# CIH Northern Ireland response to the Department for the Economy's consultation on support for low carbon heating in residential buildings

## General comments

CIH Northern Ireland welcomes the Department for the Economy's consultation on supporting the transition to low-carbon heating in residential buildings. Decarbonising the heating sector is essential to meet climate change targets. We support a 'worst first' approach, prioritising financial assistance for homes with the lowest energy efficiency ratings. However, to ensure the long-term success and efficiency of low-carbon heating systems, we believe financial support should be accompanied by incentives for building fabric upgrades.

Additionally, we believe it is essential to address the potential impact of increased electrification on the electricity grid. A coordinated approach is needed to ensure that the grid can accommodate the growing demand for electricity, while minimising the risk of brownouts and blackouts.

We have carefully considered the department's proposals and offer the following detailed responses to the consultation questions.

## **QUESTION ONE: Do you agree with the criteria used to inform technology eligible for support?**

Yes, CIH Northern Ireland agrees with the department's focus on technologies that offer significant carbon savings and energy efficiency. We believe that heat pumps, particularly air source heat pumps (ASHPs) and ground source heat pumps (GSHPs), have the potential to significantly reduce carbon emissions and improve the energy performance of homes.

However, we would like to emphasise the importance of considering the specific needs and circumstances of different housing stock. While ASHPs and GSHPs are suitable for many homes, particularly new-build and well-insulated properties, they may not be the optimal solution for all. Consequently, while we recognise the department's eligibility criteria, consideration also needs to be given to policies to support low-carbon heat networks and other forms of low-carbon heating, especially in high-density urban areas and communal blocks. This should be allied to the department's pledge in its energy strategy to take forward heat network trials and demonstrators.

## **QUESTION TWO: Do you think that other criteria should be applied?**

CIH Northern Ireland believes that the proposed criteria for technology support are a solid foundation for a low-carbon heating scheme.



### **QUESTION THREE: The department does not intend to provide financial support for biomass boilers, do you think there should be exceptions to this?**

CIH Northern Ireland does not have a firm view on whether biomass boilers should receive financial support. CIH has expressed support for the Heat and Buildings Strategy, which aims to decarbonise the heating system in England and Wales. This strategy includes biomass boilers as a potential low-carbon heating option, particularly for off-grid properties.

We emphasise the importance of heat pumps and heat networks as key technologies for decarbonising heating in the UK, due to the higher efficiency and lower carbon emissions of both technologies compared to biomass boilers. Furthermore, we have raised concerns about the impact of fuel poverty, and biomass boilers can be a relatively expensive option to maintain which could exacerbate fuel poverty for some households.

If the department does ultimately decide to include biomass boilers within scope of support, they should be strictly limited to homes that are not suitable for a heat pump and where they are the best option for transitioning away from existing fossil fuel heating systems. This could be in cases where the cost of retrofitting the property to be suitable for a heat pump is too prohibitive, especially in rural areas. We would also recommend appropriate measures to incentivise the burning of approved sustainable fuel, to minimise any negative impacts on rural air quality.

### **QUESTION FOUR: The department does not intend to provide financial support for hybrid heat pumps, do you think there should be exceptions to this?**

CIH Northern Ireland does not have a firm view on whether hybrid heat pumps should receive financial support. While hybrid heat pumps can offer a more flexible and affordable solution for some households and house types, they should be considered a transitional technology. The long-term goal should be to fully electrify heating systems, using efficient heat pumps powered by renewable energy.

We believe that support for hybrid heat pumps should be conditional on a clear pathway to full electrification. Additionally, hybrid heat pumps should be designed and installed to meet the full heating demand of a property, avoiding the need for further retrofits or new installations when the boiler is removed.

### **QUESTION FIVE: Should a minimum Seasonal Co-efficient of Performance of at least 2.8 or higher be applied to the low carbon technologies considered for support?**

CIH Northern Ireland supports the introduction of a minimum Seasonal Coefficient of Performance (SCOP) of at least 2.8 for all supported low-carbon heating technologies.



This will ensure that only the most efficient and effective technologies receive financial support, driving down carbon emissions and reducing energy consumption.

A higher SCOP rating will also help to protect consumers by ensuring that they are purchasing high-quality, energy-efficient products. It is important to note that while a higher SCOP rating may increase the initial cost of a heat pump, the long-term savings in energy bills will offset this additional expense.

As in our response to question one, we recognise the coefficient of performance does not apply to heat networks, but consideration should be given to parallel policies and incentives for supporting low-carbon heat networks, such as the Green Heat Network Fund in England.

### **QUESTION SIX: Should all domestic buildings be eligible for low carbon heating technology support?**

Yes, CIH Northern Ireland believes that all domestic buildings should be eligible for low-carbon heating technology support, with a tiered approach based on building efficiency. This ensures everyone can transition away from fossil fuels, regardless of their current energy rating.

Initially, higher levels of support can be directed towards buildings with lower EPC ratings (subject to building fabric upgrades required), while offering basic support for all installations. This incentivises energy efficiency upgrades while facilitating broad participation.

All buildings will need to transition to low-carbon heating eventually. Early support can encourage long-term planning and investment.

### **QUESTION SEVEN: What minimum energy efficiency criteria in relation to domestic buildings should be met (if any) to make them suitable for a low carbon heating technology support?**

CIH Northern Ireland recommends 'Option C: An energy assessment of the home conducted by a technical advisor'. An independent technical assessment considers all aspects of building energy performance, not just EPC ratings which may not always be fully comprehensive.

Qualified, independent advisors can identify the most suitable low-carbon heating system for each property alongside specific energy efficiency recommendations. Tailored system design and targeted efficiency upgrades enhance the performance and affordability of low-carbon heating solutions.

By emphasising the independence of technical advisors, we aim to ensure that homeowners receive unbiased advice and that the chosen solutions are truly in their best interest, rather than driven by commercial considerations.

### **QUESTION EIGHT: If you selected 'Option C' - do you think support should be available towards the costs associated with an energy**



## **assessment as part of support for the installation of the low carbon technology?**

Yes, CIH Northern Ireland believes that support should be available for energy assessments. This removes a financial barrier and encourages participation in the scheme. Financial support should ensure that qualified advisors conduct assessments, leading to reliable information and effective recommendations.

## **QUESTION NINE: Do you agree that support for low carbon heating technologies is provided separately for owner-occupiers with alternative provision of support made for landlord, social housing, and non-domestic properties?**

CIH Northern Ireland partially agrees that support be provided separately across tenures. While owner-occupiers can benefit from a streamlined support system, private landlords should also be included. Most private landlords in Northern Ireland own one or two properties and are not full-time landlords. A simplified support process would encourage them to invest in energy efficiency and low-carbon heating technologies.

Additionally, with the Department for Communities' plans to introduce minimum energy efficiency standards for private rented homes in the medium term, a support scheme would help landlords meet these requirements. This is important to avoid disrupting the supply of rental properties and potentially exacerbating existing affordability issues in the sector.

Furthermore, this approach aligns with the 'worst first' principle, as both owner-occupied and private rented homes in Northern Ireland tend to have lower energy efficiency ratings compared to social housing. By supporting these sectors, the scheme can target the properties with the greatest potential for energy savings and carbon reduction.

Social housing providers and larger landlords may require a more flexible and tailored approach due to their scale and specific needs, including a dedicated social housing decarbonisation fund. However, a streamlined system for private landlords would help to accelerate the transition to low-carbon heating across the private sector.

## **QUESTION 10: Do you agree that self-build properties should be eligible for support at this time?**

Yes, CIH Northern Ireland believes that self-build properties should be eligible for support. Self-builders are often owner-occupiers investing in their homes. They should receive the same support as other homeowners. Supporting self-builds can promote innovative approaches to low-carbon heating in custom homes.

## **QUESTION 11: Do you think additional financial support should be available to those homes in rural and island locations?**



CIH Northern Ireland believes additional financial support should be available for both rural and island homes. Rural and island locations often face higher costs for materials and skilled labour. Rural, remote and island homes are also often more difficult to retrofit with insulation and/or low-carbon heating, due to their age and size. Furthermore, off-grid properties have fewer heating alternatives, making low-carbon solutions more critical and potentially more expensive. Providing additional support ensures a fair and equitable transition for all communities, regardless of location.

### **QUESTION 12: If you answered yes to Question 11, how would homes be identified as rural by the department?**

The department could identify postcodes with known limitations on grid access or higher fuel costs. Alternatively, properties with a certain distance from the gas grid could be considered as potentially off-grid. A combination of postal codes and a minimum distance threshold could be applied for a more appropriate or accurate identification. Lastly, an alternative solution could be the use of NISRA's Urban - Rural classification, which provides a means of classification and delineation for urban/rural areas and settlements in Northern Ireland.

### **QUESTION 13: Do you agree that to be eligible for support, a new heating installation should replace fossil fuel heating, replace direct electric heating, or be installed where no central heating currently exists?**

CIH Northern Ireland agrees with this eligibility criteria. The focus should be on replacing fossil fuel and direct electric systems, or installation where no central heating exists.

### **QUESTION 14: Do you agree that replacing a low carbon heating system with another low carbon heating system should be ineligible for support?**

Further to our response to question 13, CIH Northern Ireland believes that replacing a low-carbon system with another low-carbon system should not be eligible for support.

### **QUESTION 15: Should households who have received energy efficiency support via schemes such as NISEP or Affordable Warmth be able to apply for additional low carbon heat support?**

Yes, CIH Northern Ireland believes that households who have received previous energy efficiency support should still be eligible for low-carbon heat support. This approach encourages a holistic approach to energy efficiency and recognises that multiple upgrades may be necessary to achieve significant energy savings and reduce carbon emissions.



### **QUESTION 16: Should support options be designed to prioritise or target certain groups of people (such as those on low incomes)?**

Yes, CIH Northern Ireland believes that, alongside older and less energy-efficient properties, support options should target certain households. Priority groups should include low-income households, since targeted support can help address fuel poverty and support a just transition. It should also include people who may be more susceptible to the impacts of cold homes such as older people and people with disabilities.

We suggest the following mechanisms for targeting:

- Income-based eligibility criteria: Using income thresholds or benefits eligibility to target those most in need
- Property age and condition: Prioritising older, less energy-efficient properties (subject to building fabric upgrades as required)
- Geographic or area-based targeting: Focusing on areas with higher levels of fuel poverty or specific environmental challenges.

### **QUESTION 17: Should prioritisation or additional support be given to those with older (perhaps 15+ years) fossil fuel boilers?**

Yes, CIH Northern Ireland believes that prioritising households with older fossil fuel boilers can accelerate the transition to low-carbon heating and avoid locking in long-term carbon emissions. Targeting these households can avoid 'distress purchases' of replacement fossil fuel boilers when a pre-existing boiler breaks down, and instead encourage these households to be ready to make their switch to low-carbon heating when their existing boiler reaches the end of its lifespan.

### **QUESTION 18: Should additional support be offered to the consumer where no central heating system is present in the home?**

Yes, CIH Northern Ireland believes that additional support should be offered to homes without central heating. This is particularly important as such properties tend to be older and less energy efficient, often with high heat loss.

Providing support for both the installation of a low-carbon heating system and necessary building fabric upgrades, such as insulation, can significantly improve the energy performance of these homes.

### **QUESTION 19: Should those with multiple occupied properties e.g. holiday homes be eligible to apply for support for more than one property?**

Yes, CIH Northern Ireland believes that individuals with multiple occupied properties should be eligible for support, but with certain conditions.



To ensure that limited funds are targeted effectively, the focus should be on properties with the greatest potential for carbon reduction. This could involve prioritising:

- Owner-occupied homes: These are often the primary residence and offer significant opportunities for energy savings and improved comfort
- Small-scale landlords: Landlords with a small number of properties can also benefit from support, as they may be less likely to have access to economies of scale and professional property management services.

Properties with limited occupancy, such as holiday homes or second homes, should not be eligible for support. These properties typically have lower energy demands and may not be occupied year-round, reducing the potential for significant carbon savings. By focusing support on primary residences, the scheme can maximise its impact on reducing emissions and improving energy efficiency.

### **QUESTION 20: Do you agree that the department has a requirement for consumer protection measures to be associated with support for low carbon heating technology?**

Yes, CIH Northern Ireland believes that the department has a clear responsibility to ensure consumer protection measures are in place to safeguard consumers from potential pitfalls, such as poor installation quality, misleading sales practices and inadequate after-sales service.

- Clear and transparent information: Consumers should receive clear and unbiased information about the benefits, limitations and costs of different low-carbon heating technologies
- Informed choice: Support should be provided to help consumers make informed decisions based on their individual circumstances and property characteristics
- Ongoing support: Post-installation support, including maintenance advice and troubleshooting guidance, is essential to ensure long-term satisfaction and system performance
- Fair contractual terms: Clear and fair contracts should be used to protect consumers' rights and ensure transparency
- Redress mechanisms: Effective redress mechanisms should be available to consumers in case of disputes or issues with installations.

By ensuring these measures, the department can help to build consumer confidence, drive the adoption of low-carbon heating technologies, and ensure a successful transition to a low-carbon future.

### **QUESTION 21: What do you feel would be the best method of consumer protection?**

CIH Northern Ireland recommends 'Option A - Need for Installers to be Registered to a certification scheme such as MCS together' with 'Option C - Other (redress mechanism)'.



MCS certification ensures that installers have the necessary skills and knowledge in support of high-quality installations. The MCS scheme also provides a mechanism for resolving disputes and addressing issues with installations. MCS sets industry standards and promotes good practices, ensuring consistency across the sector. However, in instances where MCS accreditation does not result in quality installations, we believe that the department has a role in designing a framework for redress.

**QUESTION 22: If it is required for installers to be accredited to a certification scheme in order to take part in any future government support, should funding be made available towards certification fees?**

Yes, funding for installer certification fees could be considered, particularly in the early stages of the scheme. This can help to accelerate the uptake of low-carbon heating technologies by reducing barriers to entry for businesses. However, as the workforce becomes more skilled and experienced, the need for such funding may diminish.

**QUESTION 23: Should any electrical work completed as part of the low carbon heating technology installation be required to be certified by an approved accredited body?**

Yes, any electrical work completed as part of a low-carbon heating technology installation should be certified by an approved accredited body.

This will ensure that the electrical work is carried out to the highest standards, reducing the risk of electrical fires and other safety hazards. Certification by a reputable body, such as NICEIC or NAPIT, would provide assurance to consumers that the installation has been carried out safely and competently.

Additionally, certification can help to identify and address potential issues with electrical installations, such as faulty wiring or inadequate protection, which could compromise the performance and safety of the low-carbon heating system.

**QUESTION 24: Do you agree with the criteria for the administration of support for low carbon heating technologies?**

Yes, CIH Northern Ireland agrees with the proposed criteria for the administration of support for low-carbon heating technologies.

A one-off capital grant is a straightforward and effective approach to encouraging uptake. It provides a clear incentive for homeowners to invest in low-carbon technologies and reduces administrative burdens for both the department and the consumer.

By focusing on upfront costs, the scheme can help to overcome the initial financial barriers associated with these technologies.





## **QUESTION 25: Do you agree with the approach to offer support by providing a one-off capital grant?**

Yes, CIH Northern Ireland agrees with the approach of offering a one-off capital grant.

A one-off capital grant is a clear and effective way to incentivise the uptake of low-carbon heating technologies. It provides a significant upfront financial boost, making these technologies more affordable for homeowners.

While alternative approaches, such as loans or tariffs, could be considered, a one-off grant offers several advantages:

- **Simplicity:** It's straightforward for both the government and the consumer
- **Immediate impact:** It provides immediate financial support, accelerating the transition to low-carbon heating
- **Reduced administrative burden:** It minimises the ongoing administrative costs associated with loan repayments or tariff structures.

## **QUESTION 26: Which option do you think should be the approach to the level of financial support for eligible technologies?**

CIH Northern Ireland recommends 'Option 2 - apply different amounts of funding per eligible technology type'.

This approach ensures that the level of support reflects the varying costs and environmental benefits of different technologies. By offering higher levels of support for more expensive but potentially more efficient technologies, such as GSHPs, the scheme can encourage the uptake of these systems and drive innovation in the sector. This would mirror the approach taken in England, whereby different levels of grant are offered for ASHPs, GSHPs and biomass boilers.

A tiered approach can also help to address affordability concerns and ensure that the scheme is accessible to a wider range of households.

## **QUESTION 27: Are there any cost barriers beyond the cost of the technology that you feel may impact on the successful rollout of low carbon heating technology support?**

Yes, there are cost barriers beyond the cost of the technology that may impact the successful rollout of low-carbon heating technology support.

Some of these additional costs include:

- **Building fabric upgrades:** In many cases, upgrading the building fabric, such as loft, floor and cavity wall insulation, is necessary to optimise the performance of low-carbon heating systems. This can involve significant upfront costs.
- **Plumbing and electrical upgrades:** Installing a low-carbon heating system may require upgrades to existing plumbing and electrical systems. For example,



replacement radiators are sometimes required for heat pump installations. This can add to the overall cost of the project.

- Electricity prices: Even when building fabric upgrades are undertaken, low-income households may find it difficult to afford the running costs of low-carbon heating. The department could consider the use of targeted energy bills support, such as providing eligible low-income households with a discounted electricity tariff if they make the switch to low-carbon heating technology.
- Professional installation: Ensuring proper installation by qualified installers is crucial for the long-term performance and efficiency of the system. However, this can add to the cost of the project.

### **QUESTION 28: Do you have suggestions as to how the department can ensure financial support delivers the best possible value for money?**

To ensure financial support delivers the best possible value for money, the department should consider the following:

1. Focus on energy efficiency: Combine financial support for low-carbon heating technologies with incentives for building fabric upgrades, such as insulation - this will ensure that homes are suitable for heat pumps and maximise energy savings
2. Prioritise certain households: Target support towards people in fuel poverty and those susceptible to the impacts of cold homes, to maximise the impact of the scheme - this could be achieved by using income thresholds or benefits eligibility to target those most in need, and/or offering higher grant rates to households that meet an eligibility criteria
3. Robust monitoring and evaluation: Implement a monitoring and evaluation framework to track the impact of the scheme and identify areas for improvement
4. Transparent and accountable: Ensure transparency and accountability in the allocation of funds and the selection of eligible technologies
5. Collaboration with industry: Work closely with industry stakeholders to develop clear standards and guidelines for installations and maintenance
6. Consumer protection: Prioritise consumer protection by ensuring that installers are qualified and that consumers receive clear and accurate information.

By adopting these strategies, the department can maximise the impact of its financial support and ensure that public funds are used effectively to achieve a sustainable and affordable energy future for Northern Ireland.

### **QUESTION 29: Is the supply chain and manufacturing base in NI well established to cope with demand for installations of low carbon heating technologies if demand increases?**



No. While there is potential for growth in the supply chain and manufacturing base in NI, it is currently not well-established to meet the anticipated demand for low-carbon heating technologies.

To address this, government support can be crucial in stimulating investment and innovation in the sector.

**QUESTION 30: Is there any evidence of after-care delays with repairs and maintenance of heat pumps due to supply chain shortages and delays that may cause someone to be without heating?**

There is a risk of aftercare and maintenance delays due to supply chain shortages and a limited number of qualified installers. This could impact consumer satisfaction and hinder the wider uptake of heat pumps.

**QUESTION 31: How can growth of the skills base within the heat pump industry be supported by the private sector and government to complement any support for low carbon heating in a) the short - medium term (up to 10 years) and b) the long term (over 10 years)?**

Short-medium term:

- Accelerated training programmes: Government can fund accelerated training programmes for existing plumbers and heating engineers to acquire the necessary skills to install heat pumps
- Financial incentives: Offering financial incentives to businesses to invest in training and upskilling their workforce
- Collaboration with industry: Working with industry bodies to develop standardised training programmes and certification processes.

Long-term:

- Apprenticeship programmes: Investing in apprenticeship programmes to develop a pipeline of skilled workers for the future
- Education and outreach: Engaging with schools and colleges to promote careers in the low-carbon sector
- Research and development: Supporting research and development initiatives to drive innovation and create new job opportunities.

**QUESTION 32: Is there an adequate amount of heat pump installers within NI to cope with demand for installations as well as aftercare and repairs/maintenance should demand for heat pumps increase in the short - medium term?**



CIH Northern Ireland believes that there is currently not an adequate number of heat pump installers in NI to meet the anticipated demand for installations, aftercare and maintenance.

However, the introduction of financial support for heat pumps is likely to stimulate demand and incentivise the growth of the installer base. This could lead to increased training opportunities and the development of a more skilled workforce.

To further support the growth of the heat pump industry, the department could consider providing additional support for installer training and certification, as well as for the development of local supply chains.

### **QUESTION 33: What actions can be taken to support the scaling and growth of the low carbon industry, particularly installers, to meet future demand projections of heat pump deployment targets?**

To support the scaling and growth of the low-carbon industry, the following actions can be taken:

- Clear policy signals: Providing clear and consistent policy signals to encourage investment and innovation
- Financial support: Offering financial incentives to businesses to invest in training, equipment and R&D
- Streamlined regulations: Clarifying regulatory processes to promote new entry for businesses
- Collaboration with industry: Working with industry bodies to develop good practices and standards
- Consumer awareness: Raising awareness among consumers about the benefits of low-carbon heating technologies.

By taking these steps, the department can help to create a thriving low-carbon heating industry in Northern Ireland, ensuring a skilled workforce and a sustainable energy future.



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## About CIH

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