

# CLIMATE CHANGE (NO.2) BILL CALL FOR EVIDENCE AND VIEWS

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Response to Consultation

**30 September 2021**



## ABOUT NIFHA

The Northern Ireland Federation of Housing Associations, formed in 1977, is the representative body for Northern Ireland's 20 registered housing associations.

Our members are all not-for-profit organisations. Together, supported by the Department for Communities and the Housing Executive, they provide just under 56,000 social and affordable homes.

Housing associations access private finance to effectively double the number of homes they could build with government housing association grant alone.

Housing associations also deliver high quality care and support to help people stay as independent as possible. Working in partnership with other organisations, they also invest millions each year in community services and facilities.

Our sector employs more than 3,200 people and manages housing assets worth £4.5 bn.

NIFHA welcomes the opportunity to comment on Climate Change (No.2) Bill- Call for Evidence and Views

## PART 1: SETTING THE CONTEXT

As part of the New Decade, New Approach agreement, the Northern Ireland (NI) Executive made a commitment to introduce legislation that would set out how carbon emissions would be reduced in line with the 2015 Paris Agreement pledge "to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels."

The Climate Change (No.2) Bill that has been introduced by the Minister for the Department for Agriculture, Environment and Rural Affairs (AERA) sets out a framework to deliver on the New Decade, New Approach commitment and establishes legislation to mitigate the effects of Climate Change locally.

## PART 2: CONSULTATION QUESTIONS

### 1. The Bill Objectives

The objectives of the Bill are to:

- Set targets for the years 2050, 2040 and 2030 for the reduction of greenhouse gas (GHG) emissions.
- Provide for a system of carbon budgeting.
- Provide for reporting and statements against the targets and budgets.
- Provide for the ability to impose climate change reporting duties on public bodies.
- Provide for reports and advice from the UK Committee on Climate Change (CCC)

A) WHAT ARE YOUR VIEWS ON THE OVERALL BILL OBJECTIVES?

Broadly positive	Broadly Negative	Unsure
x		

Housing Associations are supportive of legislation that aims to reach net zero by 2050. It is our ambition as a sector to take steps to achieve 'Net Zero' by 2050 and maintain global warming well below 2 degrees Celsius as a minimum between 2021-2030.

The determination of a state-wide ambition to achieve this would instigate wide support to reach this goal and outline a mandate amongst all sectors to work towards the same ambition.

B) DO YOU THINK THAT THE BILL WILL MEET THESE OBJECTIVES?

Yes	
No	
Unsure	X

With the necessary financial support and development of expertise within the social housing sector, NIFHA believe that that we can achieve net zero within these principals.

However, we cannot comment to the capability of other sectors.

## 2. EMISSIONS TARGETS

Clauses 1-3 of the Bill set the following GHG emissions targets for NI, compared to baseline levels (either 1990 or 1995 emissions, depending on the particular gas)

- Net emissions will be at least 82% lower by 2050
- Net emissions will be at least 69% lower by 2040
- Net emissions will be at least 48% lower by 2030

A) WHAT ARE YOUR VIEWS ON THESE EMISSIONS TARGETS?

We believe that the 2030 target is achievable. For example, 2020 represented a strong year in reduced MtCO<sub>2</sub>e emissions for the UK. Compared to 1990 the UK MtCO<sub>2</sub>e emissions reduced by 48.8% compared to 1990.

Although NIFHA appreciate that 2020 was a unique year due to Covid-19, this would indicate that the immediate target of 48% by 2030 compared to 1990 levels is realistic.

Further, Scotland are aiming to achieve as much as a 75% reduction by 2030 compared with 1990 levels. With cooperation amongst the nations of the UK a suitable pathway for Northern Ireland will become clear.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/972583/2020\\_Provisional\\_emissions\\_statistics\\_report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/972583/2020_Provisional_emissions_statistics_report.pdf)

B) DO YOU THINK THESE EMISSIONS TARGETS ARE ACHIEVABLE?

Yes	X
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No	
Unsure	

As noted above the 2030 target of 48% was achieved UK wide in 2020 compared to 1990 levels. The conditions thrust upon the surface and aviation transport sectors that resulted from Covid-19 had a significant role here.

Covid-19 aside, the UK reduced GHG emissions by 44% between 1990 and 2019 (pre Covid-19). Beyond 2030 to 2040 the right skills and technology could be in place to support further emissions reductions.

With appropriate finance and an increased focus on the matter a reduction between 48-69% could be feasible for Northern Ireland before 2030. For example, 2010 MtCO<sub>2</sub>e in UK were 590.4 and in 2019 (pre-Covid-19) MtCO<sub>2</sub>e emissions had reduced to 454.4. This represents a 23% reduction in 10 years.

This is a result of appropriate finance and an increased focus on sectors such as electricity generation. There are challenges for the Housing sector relating to retrofitting and replacing gas and oil boilers. Our level of confidence in playing our part in reducing emissions is dependent on the availability of suitable technology and funding. Indeed, this applied to the wider housing sector.

Other sectors have yet to see significant reductions in that time frame, including social housing. However, there are considerable opportunities to reduce emissions provided adequate financial support be provided.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/957687/2019\\_Final\\_emissions\\_statistics\\_one\\_page\\_summary.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/957687/2019_Final_emissions_statistics_one_page_summary.pdf)

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/408063/2012\\_Final\\_UK\\_greenhouse\\_gas\\_emissions\\_national\\_statistics\\_1990-2010.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/408063/2012_Final_UK_greenhouse_gas_emissions_national_statistics_1990-2010.pdf)

C) DO YOU THINK THAT THE TIMESCALES TO DELIVER THE EMISSIONS TARGETS ARE ACHIEVABLE?

Yes	X
No	
Unsure	

As above, when 1990 levels are compared to 2019 (pre Covid-19) the 2030 target is more than achievable. The 69% reduction target to 2040 from 1990 levels will present a more ambitious task.

However, NIFHA are confident that with suitable finance and focus other reduction opportunities will present themselves within the social housing sector. The remaining target to reach 82% by 2050 is difficult to predict that far into the future.

### 3. POWER TO AMEND TARGETS

Clauses 4 and 5 of the Bill give the Department for Agriculture, Environment and Rural Affairs (DAERA) the authority to change, through regulations, the emissions targets, years and baseline. A proposed change must be ratified by the Assembly.

DAERA may only bring forward a proposed change if:

(1) It is satisfied that it is justified on the basis of significant developments in law/policy, scientific knowledge or technology relevant to Climate Change and the UK Committee on Climate Change (CCC) has advised that the change is the most ambitious that it could be (if relevant); OR

(2) The CCC has recommended the change (or it is not substantially different from a CCC recommendation)

<https://consult.nia-yourassembly.org.uk/agrienvra/climate-change-no-2-bill/#page-factbank>

#### A) DO YOU THINK THAT THIS IS APPROPRIATE?

Yes	
No	
Unsure	X

#### B) WHAT ARE YOUR VIEWS ON THIS?

NIFHA oppose the power to amend the baseline year. Duplication of a baseline will reduce the credibility of the process.

However, we agree that the ability to amend the reduction targets compared to the 1990 baseline in line with Committee on Climate Change guidance should be supported. For instance, where the change advised is the most ambitious that it could be.

### 4. CARBON BUDGETS

The Bill proposes that DAERA will prepare “Carbon Budgets” that will set the maximum GHG emissions level for NI for a period of time.

The first Carbon Budget period is planned to cover 2023-27 and thereafter Budgets will be set on a 5-yearly basis.

The Carbon Budgets will be established to help meet the overall emissions targets for 2030, 2040 and 2050.

DAERA will be responsible for submitting a report to the Assembly outlining the policies that will be taken forward by NI Government Departments to meet a Carbon Budget. This report must be submitted before the end of Year 1 of the Carbon Budget period.

#### A) WHAT ARE YOUR VIEWS ON THIS?

NIFHA supports the use of Carbon budgets as a means to report progress against the reduction targets.

In particular, a Carbon Budget specific to the social housing sector with a clear decarbonisation plan and financial support to achieve the necessary reduction is supported by NIFHA.

B) Do you think the proposed Carbon Budgets are an effective way of delivering on the emissions targets?

Yes	
No	
Unsure	X

We are unfamiliar with any example where this has been proven as an effective way to deliver such emissions targets. However, Carbon budgets can be aligned to decarbonisation plans specific to sector interventions.

Direction on which sectors have the potential to reduce emissions to what extent will be necessary to understand where the most financially viable interventions exist.

As with financial budgets a clear plan needs to be in place to support the reductions and likewise the use of credible Carbon accounting methodologies will add further clout and knowledge sharing to the process.

C) CLAUSE 15 OF THE BILL ALLOWS DAERA TO ADJUST A CARBON BUDGET BY CARRYING A PROPORTION OF THE EMISSIONS LEVEL FORWARDS OR BACKWARDS TO A DIFFERENT CARBON BUDGET PERIOD (UP TO A MAXIMUM OF 1% OF THE LATER BUDGET) AFTER CONSULTING OTHER GOVERNMENT DEPARTMENTS AND THE CCC. DO YOU THINK THAT THIS IS APPROPRIATE?

Yes	X
No	
Unsure	

NIFHA view maximum of 1% is reasonable.

## 5. PROGRESS REPORTING

The Bill requires DAERA to submit reports to the Assembly as follows:

- An interim progress report must be laid before the end of Year 3 of each Carbon Budget period
- A Final Statement must be laid within 24 months of the end of a Carbon Budget period outlining whether the Carbon Budget was, or was not, met.  
If not met, a report must be laid within 3 months outlining proposals to compensate for the excess emissions
- A Compliance Statement must be laid within 24 months of the end of each respective year for 2030, 2040 and 2050, with an assessment as to whether the relevant emissions target was achieved

A) DO YOU THINK THAT THIS IS AN EFFECTIVE WAY TO MONITOR PROGRESS?

Yes	
No	X
Unsure	

**B) PLEASE TELL US YOUR VIEWS ON THE PROPOSALS FOR PROGRESS REPORTING AS OUTLINED IN THE BILL:**

It is our understanding that Greenhouse gas figures are reported annually in the rest of the UK. NIFHA suggests that the final statement should be laid within 12 months of the end of the Carbon Budget.

Likewise, the Compliance Statement should be laid within 12 months at the major interval years. Failure to report this frequently could result in complacency on the matter. If a 24-month window is required due to a skills or knowledge gap, we believe that this should be addressed with a matter of urgency.

**6. INDEPENDENT OVERSIGHT**

Part 4 of the Bill outlines the responsibilities of the CCC in terms of reporting to DAERA on the effectiveness of Carbon Budgets and attainment of the emissions targets.

The CCC will report to DAERA within 6 months of publication of a Carbon Budget Final Statement and the Compliance Statement for years 2030 and 2040, with its consideration on whether the emissions levels have been achieved and any recommendations.

DAERA will send the Assembly a copy of each CCC report within 6 months of it being received.

<https://consult.nia-yourassembly.org.uk/agrienvra/climate-change-no-2-bill/#page-factbank>

**A) WHAT ARE YOUR VIEWS:**

Nothing specific to record.

**7. RESPONSIBILITIES ON GOVERNMENT DEPARTMENTS AND PUBLIC BODIES**

The Bill places primary responsibility on DAERA for setting Carbon Budgets, reporting on progress and consulting with the CCC.

It also requires all local Government Departments to ensure that GHG emissions do not exceed the set Carbon Budget for any period and to provide DAERA with relevant information and data to support completion of progress reports.

**A) DO YOU THINK THAT THE RESPONSIBILITIES ON GOVERNMENT DEPARTMENTS SET OUT IN THE BILL ARE APPROPRIATE?**

Yes	
No	X
Unsure	

NIFHA believe that the Department for Economy (DfE) should have oversight rather than the Department for Agriculture, Environment and Rural Affairs (DAERA). Reducing Greenhouse Gas emissions drastically and setting Carbon budgets remains a largely economic exercise whether fully appreciated or not.

Support for reduction targets should be outlined within economic projections to achieve this. It is our belief that DAERA are under equipped to model this type of economic activity on their own.

Further, DfE have a role in supporting all sectors in Northern Ireland, whereas DAERA have a narrower function to be the authority for delivering agriculture and environmental legislation and sector support. For example, emissions reduction in Whitehall is the responsibility of the Department for Business, Enterprise, and Industrial Strategy (BEIS) with support from the Department for Environment, Food and Rural Affairs (DEFRA).

DEFRA serve a similar function in Whitehall as DAERA in their role in NI. NIFHA believe that BEIS role in Carbon budgeting, target setting and leading the 'green revolution' should be reflected in Northern Ireland within the DfE.

**B) UNDER CLAUSE 21 DAERA MAY IMPOSE CLIMATE CHANGE REPORTING DUTIES ON SPECIFIED PUBLIC BODIES FOLLOWING CONSULTATION WITH THE ORGANISATION/ENTITY CONCERNED. WHAT ARE YOUR VIEWS ON THIS?**

Broadly positive	Broadly Negative	Unsure
X		

NIFHA support this as private business already has this responsibility as part of the Streamlined Carbon Reporting Regulations (2018). Forming a scope 1&2 Carbon footprint is an achievable exercise for any public body.

However, as all sectors move closer to the targeting embodied Carbon (scope 3 emissions), it will become increasingly important that an agreed Carbon accounting methodology be mandated to complete this exercise as factually and with as much transparency as possible.

**8. RESOURCE IMPLICATIONS**

DAERA estimates that the indicative net additional cost of the Bill between 2022 and 2050 could be over £4 billion (approx. £140 million per year).

It is projected that the additional resource costs will be less than 1% of 2018 GDP each year through to 2050 and there will be a significant requirement for capital investment to put in place appropriate and effective low-carbon infrastructure and technologies.

**A) WHAT ARE YOUR VIEWS ON THIS?**

Please tell us your views

We broadly support this expenditure as a minimum. Less than 1% GDP seems a reasonable cost burden to avoid a Climate Crisis.

However, this point exemplifies our comment from point 7A. Projecting, targeting, and reporting a Carbon budget is as much an economic activity as it is a scientific one.

The Carbon budget should be embodied within the Department of Economy where the necessary resource and expertise is centralised within government.

**B) WHAT DO YOU THINK ARE THE MOST IMPORTANT ISSUES FOR GOVERNMENT TO CONSIDER WHEN MAKING FUNDING PLANS TO HELP ACHIEVE THE AIMS OF THE BILL?**

Please tell us your views

NIFHA believe that the necessary funding plans need to reflect the reduction abilities of differing sectors. Each sector should have a clear decarbonisation roadmap linked to the economic reality of instigating the necessary changes.

Further transformative changes to items such as transport infrastructure need to be held in higher esteem than in the past. For example, the Belfast Metropolitan Transport Plan has fallen short of achieving any significant gains in emissions reduction.

At the inception of the plan there was a policy position to have a positive environmental impact, however, the plan agreed through public consultation has failed to deliver any material change to the Belfast metropolitan transport infrastructure.

As such, each department should have a specified decarbonisation plan linked to economic reality with the power to stipulate material changes that achieve the necessary reductions required.

## 9. ACCESS TO SPECIALIST ADVICE

The CCC is the sole source of expertise provided for in the Bill to give advice to DAERA in relation to Climate Change mitigation and DAERA must consult the CCC before initiating any proposed change to Carbon Budgets or emissions targets.

### A) DO YOU THINK THAT THIS IS APPROPRIATE?

Yes	X
No	
Unsure	

Are there other sources of expertise that may be needed to inform Climate Change policy and to report on progress in terms of meeting the emissions targets?

Tell us other sources of expert advice

We are not aware of any.

However, a Northern Ireland knowledge base should be developed to support this enterprise.

## 10. TRANSBOUNDARY CONSIDERATIONS

### A) What are your views on how the Bill addresses transboundary issues in relation to Climate Change?

By transboundary we mean different countries and/or jurisdictions working together.

Tell us your views on Transboundary Issues

NIFHA believe that effort should be made to ensure the embodied Carbon from transboundary emissions are accounted alongside those within our boundary. For instance, the reductions in emissions in the UK should support local industry where a reduced Carbon impact is recognised.

Similarly, where a damaging Carbon impact is recognised, there should be a policy in place to reflect this. When an organisation conducts a footprint on imported materials for their enterprise, the country of origin should be accounted as per practices in that country.

A good example in the social and affordable housing sector is sourcing of raw materials such as timber. The embodied Carbon from importing timber products from Brazil is greater than that of Norway.

However, a procurement process may not reflect the inherent damage caused at point of source when cost is considered. Whether it is a market exercise such as an import premium to procure products from known point sources of high embodied Carbon, or a subsidy to support the use of Carbon efficient products, some level of intervention will be required long term.

**B) DO YOU THINK THAT THERE SHOULD BE A TRANSBOUNDARY APPROACH TO CLIMATE CHANGE?**

Yes	X
No	
Unsure	

**11. ADDITIONAL INFORMATION**

**A) ARE THERE ANY OTHER MEASURES NOT INCLUDED IN THE BILL THAT YOU THINK SHOULD BE INCLUDED AND WHY?**

Tell us if anything is not included

NIFHA are largely supportive of the ambition laid out in the Bill. We believe reduction targets indicated are practical and achievable. One item that we would support in addition to a reduction in emissions, is the inclusion of targets to have a net beneficial Carbon impact. For example, biodiversity and the ecosystem services provided by protection and enhancement of biodiversity should be enshrined as part of a complete Climate Bill.

For instance, there are clear opportunities for emissions reductions across all sectors, likewise there are Carbon sequestration opportunities as well. In order to achieve Net Zero, Northern Ireland will need to simultaneously reduce emissions whilst enhancing Carbon sinks. As such, NIFHA believe the Bill should reflect this need and where Carbon budgets are concerned, Carbon sequestration options derived from enhanced biodiversity should be stipulated.

**B) DO YOU HAVE ANY OTHER COMMENTS YOU WOULD LIKE TO MAKE?**

Tell us anything else you think we should know

N/A

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