NIFHA's response to DAERA's consultation on:

Northern Ireland's draft Climate Action Plan 2023-2027

October 2025

Summary of NIFHA View:

- NIFHA welcome the publication of a Draft Climate Action Plan, and we are encouraged to see a range of sectors included in the plans to reduce carbon emissions in Northern Ireland.
- We welcome that the Climate Action Plan frames the route to net zero emissions as a social and economic opportunity as well as a legislative and environmental requirement.
- We are deeply concerned by the fact that there is no outlined financial support in the draft Climate Action Plan for housing associations to retrofit and decarbonise properties.
- We urge the NI Executive to pursue the implementation of a social housing decarbonisation grant for housing associations, to ensure parity in support with other UK regions.

About NIFHA

The Northern Ireland Federation of Housing Associations (NIFHA), formed in 1977, is the representative body for Northern Ireland's 19 registered housing associations.

Our members are all not-for-profit organisations. Together, supported by the Department for Communities and the Housing Executive, they provide over 61,000 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 3,300 people and manages total assets of £5.4 bn.

NIFHA welcomes the opportunity to respond with our views on the Northern Ireland Draft Climate Action Plan 2023-2027.

Response to consultation

NIFHA welcome the publication of the draft Climate Action Plan 2023-2037, and we are encouraged to see a cross-sector approach outlined to reduce carbon emissions. We also commend both the Department of Agriculture, Environment and Rural Affairs and the Department for Communities for facilitating a bespoke information session on the residential aspect of the draft Climate Action Plan. NIFHA and some of our members attended and gave feedback directly, which is incorporated in our response below. From a social housing perspective, we welcome that the draft Climate Action Plan frames the route to net zero emissions as a social and economic opportunity as well as a legislative and environmental requirement.

We would however at the outset of our response like to raise concerns with the timeframes of the Climate Action Plan consultation and the risks associated with not meeting the targets and the impact this will have on future Climate Action Plans. To illustrate, this consultation is taking place over 2.5 years after the period has already begun. As a sector, this gives us little opportunity to constructively input into decisions that will take effect in this action plan period. This could lead to a ripple effect of repercussions for further action plans, if policy proposals in this period are not implemented or successful in achieving the carbon reductions required. That said, there are options for housing associations to deliver further improvements before the end of 2027, if funding were made available, and this would need to be urgently considered to allow adequate time for planning.

Consultation questions:

3. To what extent do you agree with the proposed policies and proposals to reduce emissions for the energy production and supply sector?

We welcome that the Climate Action Plan 2023-2027 recognises that to achieve a reduction in emissions from the energy production and supply sector, there will need to be an increase in renewable energy production. Transitioning to renewables and directly replacing fossil fuels, will reduce the production of pollutants such as carbon dioxide. This shift will be pivotal in meeting the carbon reductions outlined in the Climate Action Plan but also in meeting the targets outlined in the Climate Change Act (Northern Ireland) 2022 more widely, including the target of at least 80% of electricity coming from renewable sources by 2030. Furthermore, as more renewable energy is created, energy security will also be enhanced. This will help mitigate against shocks felt in global energy prices.

As outlined above, housing associations provide a substantial number of homes across NI and can play a vital role in lowering emissions within the energy production and supply sector. Due to stock numbers, if housing associations were given financial assistance to accelerate the implementation of solar PV panels for example, this would further reduce emissions in the residential sector for energy production and supply. This is especially important when heat pumps are installed. Solar PV can allow for microgeneration to offset higher annual electricity costs associated with heat pumps. This measure would support the just transition principle, which underpins the draft Climate Action Plan. The foundations of the just transition principle outline that the shift to low-carbon initiatives must be fair and not cause any disadvantage. Central to this is the recognition that those on the lowest incomes are often the most vulnerable to the costs of the transition. Therefore, it is vital that there is targeted support, such as solar PV for housing association so that tenants are supported on the journey to net-zero.

4. To what extent do you agree with the proposed approach to achieving a just transition in the energy production and supply sector?

A just transition in the energy production and supply sector is fundamental to ensuring that the shift towards low-carbon, sustainable energy systems is done in a fair and equitable way. While NIFHA strongly agrees with the vision of the Climate Action Plan's aims of just transition in the energy and supply sector, we believe that further evidence is required as to how some of the most vulnerable in society, including those spending larger proportions of their income on energy will be supported in this transition.

9. To what extent do you agree with the proposed policies and proposals to reduce emissions for the residential buildings sector?

Housing associations in Northern Ireland play a key role in carbon reduction in the residential sector by ensuring that homes are well maintained, through their maintenance programmes. We welcome the Climate Action Plan's recognition that the work housing associations are doing are both contributing to emission reductions but also enhancing tenant wellbeing, reducing fuel poverty and supporting the local green skills economy. Housing associations are already actively embedding sustainable practices into their asset management and have demonstrated a commitment to both building energy efficient homes as well as upgrading existing homes.

We welcome that the plan stresses the importance of ensuring a just transition and the acknowledgement that each policy proposal will be underpinned by the just transition principle. We also support that the Climate Action Plan outlines that this transition provides an opportunity to upskill workers in the green economy in Northern Ireland.

However, while we broadly support the proposed policies and proposals to reduce emissions for the residential sector, we are deeply concerned by the fact that there is no outlined support in the draft Climate Action Plan for housing associations to retrofit and decarbonise properties. Given that most of the homes that will be in place in 2050, have already been built, it is paramount that consideration is given to how housing associations will be supported to reach net-zero over the course of the next 25 years, starting with the period 2023-2027.

It is important to highlight that housing associations are not eligible for the policy supports that are outlined in the residential section of this Climate Action Plan. For example, the affordable warmth scheme offers important financial support to homeowners and the private rented sector, however there is no equivalent outlined for the social rented sector. Similarly, the Northern Ireland Sustainable Energy Programme scheme for 2025/26 also omits any financial support for housing association households, yet this scheme is funded in part by public service obligation (PSO) levies. This in turn means that housing association tenants are paying in to a scheme which they cannot benefit from, which is in contradiction to the just transition principle.

NIFHA support the reference to heat pumps in the Climate Action Plan and agree that heat pumps are a low-carbon alternative to traditional fossil fuel heating systems. However, it is important to note that a heat pump installed in isolation can be more expensive to run than traditional fuel methods such as oil or gas. It is important that the language in the final Climate Action Plan 2023-2027 reflects that in order to achieve cost savings, heat pumps must be used in conjunction with fabric retrofits or solar PV.

We further support the Climate Action Plan 2023-2027 reference to the role of building standards in future-proofing homes. However, clarity is needed on what financial support will be given to housing associations to build to higher energy standards. NI Housing Associations homes are generally built to a higher specification than building regulations and many private sector new builds, and these development costs are factored into the total cost indicator baselines. If there were to be any changes to these specifications, including a mandating of additional energy efficiency measures, it would be essential that the cost of these are factored into the total cost indicator for the Housing Association Grant. NIFHA welcome the opportunity to engage with the NI Executive on what definition of exceeding minimum standards

set in building regulations will be applied, and how NI housing associations will be supported through the Housing Association Grant rates to achieve these.

It is important to stress that NI is the only part of the UK and Ireland without a grant scheme that helps lower energy use in social housing. These long-established schemes in the UK and Ireland have all set out to reduce carbon emissions from social rented stock but to also reduce energy use. While we appreciate that work is ongoing between housing associations and the Department for Communities to access financial transactions capital for fabric-first retrofit works, it is important to stress that this project is a pilot scheme for fabric-first retrofits and emerging technologies and that ultimately financial transaction capital is still a loan, and housing associations will still need to repay these loans.

We at NIFHA would stress to wider NI Executive to ringfence funding received for social housing decarbonisation and pursue the implementation of a NI social housing decarbonisation fund, to help mitigate the impacts felt by the most vulnerable citizens in our society, to help reduce energy use and provide warmer homes and also to meet the targets outlined in the Draft Climate Action Plan as well as the broader Climate Change Act (Northern Ireland) 2022. If serious thought is not given financial supports for housing associations to decarbonise in this Climate Action Plan period, we risk housing associations being left behind in the journey to net-zero.

10. To what extent do you agree with the proposed approach to achieving a just transition in the residential buildings sector?

Ensuring a just transition in the residential buildings sector is essential to avoid inequalities during the decarbonisation journey. A just transition must ensure that decarbonisation efforts do not increase energy costs for tenants. It is critical that policies and approaches guarantee that tenants homes are energy efficient, low carbon and are also affordable and comfortable.

While NIFHA strongly agrees with the vision of the Climate Action Plan's aims of just transition in the residential buildings sector, we believe that further evidence is required as to how some of the most vulnerable in society, including those spending larger proportions of their income on energy will be supported in this transition.

21. To what extent do you agree with the key findings of the Financial, Social and Economic Impact Assessments that have been carried out on the policies and proposals in the draft Climate Action Plan?

NIFHA would have concerns over the financial, social and economic impacts that the lack of retrofit / decarbonisation support for housing associations would have. Housing associations in Northern Ireland tend to have properties with higher EPC levels, driven by housing associations' commitment to future-proofing homes for tenants as well as the overall age of the stock. This means that there is less opportunity to make fabric improvements to offset higher running costs of cleaner technologies such as heat pumps. Therefore, for housing associations to reduce emissions as required by the Climate Action Plan and wider Climate Change Act (Northern Ireland) 2022, and make homes more energy efficient, they must install technologies. For housing associations, this approach will involve further capital, maintenance and replacement costs, with no financial support. For our sector, the only fund-raising mechanism available is commercial loans to fund this work. The knock on financial, social and economic impact of this on tenants would be increased rent to re-pay loans. This hasn't been captured by this Climate Action Plan, and we would welcome further direct engagement with DAERA and DfC, so that these implications can be fully understood and taken into account when finalising the Climate Action Plan.

23. To what extent do you agree with the key findings of the Equality Screening and Equality Impact Assessment?

NIFHA would have concerns that the full implications of the measures outlined in the equality impact assessment haven't taken into account the impact policies such as the focus on heat pumps in isolation could have on vulnerable tenants. Implementing a policy that raises living costs for vulnerable tenants, without mitigation, could undermine the equality of opportunity duty under Section 75.

We urge DAERA and the DfC to assess the affordability impacts of heat pumps on housing association tenants and provide mitigating measures, including financial assistance to housing associations.

Additional comments:

In conclusion, we welcome the Department of Agriculture, Environment and Rural Affairs launching this consultation and working in collaboration with the Department for Communities on the residential building element of the proposals. We welcome that the Climate Action Plan 2023-2027 recognises that to achieve a reduction in emissions from the energy production and supply sector, there will need to be an increase in renewable energy production. We see this transition from fossil fuels to renewables as an energy source as an opportunity to engage the housing association sector due to their number of suitable properties for technologies such as solar PV across Northern Ireland.

However, we at NIFHA don't believe that this draft Climate Action Plan goes far enough to outline how housing associations will be supported to decarbonise their stock or to make houses more energy efficient for tenants. We would like to see a clear roadmap for our sector on decarbonisation, especially on the support for technology upgrades to properties, so that housing associations and the wider green skills sector can plan accordingly. Specifically, we would like to see the implementation of a social housing decarbonisation fund, similar to those in operation in GB and Ireland, so that housing associations in NI may receive parity in support. We believe that supporting housing associations to retrofit and decarbonise is central to achieving a just transition. A just transition will ensure that the path to net zero benefits those most impacted by fuel poverty, and who are spending a greater proportion of their income on energy use. We are confident that by investing in the housing association sector, the NI Executive can deliver on a fairer transition to net zero.

As highlighted in our response above, there are no financial supports outlined in this plan for housing associations, we are concerned that this puts additional pressures on Climate Action Plans going forward for housing associations to meet the targets outlined in the Climate Change Act (Northern Ireland) 2022. We would encourage further communication with housing associations by the relevant departments on how social housing providers are going to be supported to achieve these ambitious goals.

Going forward, we encourage earlier engagement as the next Climate Action Plans are developed, so that housing associations can input at an earlier stage and shape future plans for social housing decarbonisation. However, as we outlined at the beginning of this response, there are options for housing associations to deliver further improvements in carbon reduction before the end of 2027, if funding were made available, and this would need to be urgently considered to allow adequate time for planning.

ENDS.

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