



**Housing Executive  
Construction Industry  
Engagement Event**  
**Wednesday 27<sup>th</sup>**  
**March 2024**  
**Dunsilly Hotel, Antrim**

**Housing  
Executive**

# Menti.com – what questions do you have for us?

- Dunsilly Guest Wifi – no password required.
- Go to [menti.com](https://www.menti.com) on your phone.
- Use code: **8890 9872**
- All questions and responses are completely anonymous.



# Agenda for today

- **1:30pm** - Registration
- **2pm** – Setting the Scene, Grainia Long, NIHE
- **2:15pm** - Proposed Investment Programme, Paul Isherwood, NIHE
- **2:30pm** - Tenants View, Linda Watson, Chair, Central Housing Forum
- **2:40:pm** - Procurement as an Enabler, Kevin Logan, NIHE
- **3:15pm** - Climate Change in the Residential Sector – Angus Kerr, Department for Communities
- **3:30pm** - Questions – via Menti.com, Jonny Blease, NIHE
- **3:50pm**: Closing remarks – Paul Isherwood, NIHE



**Grainia Long,  
Chief Executive  
Housing  
Executive**

# Our Investment Requirement

- We are a landlord of 83,000 homes across Northern Ireland and it is our core responsibility to ensure that *our homes are safe, warm and dry*.
- We have a 24/7 emergency repair service and deliver a comprehensive annual improvement programme.
- Invested just over £204m in 2022/23 improving and maintaining our homes and plan to increase this to £288 in 2024/5.
- We want to work more closely with the construction sector.
- Are currently reviewing our procurement strategy to make it more flexible and accessible.

# Challenges and opportunities in the sector

## Challenges:

- Unprecedented rise in cost of materials.
- Supply chain instability.
- Labour shortages, need more apprentices and upskilling in the sector.
- Salary competition with other jurisdictions.
- Competitive marketplace.
- Strict regulatory environment.

## Opportunities:

- New capital projects coming onto the marketplace.
- Return of the NI Assembly.
- PfG & longer-term Govt. investment strategy.
- Large multi-year investment requirement from NIHE.
- Decarbonisation and retrofit will offer new profitable contracts.
- Net Zero targets.

# Our ambitions for the future

New Build Public Housing - Sunningdale Gardens  
First housing development in nearly 25 years.

Using Modern Methods of Construction (MMC) to  
Passive House Standard

- ✓ Improved energy efficiency
- ✓ Reduction in carbon emissions
- ✓ Lower heating bills
- ✓ Improved thermal comfort

We are also focused on improving our existing stock so that all our tenants can benefit from energy efficiency measures. This forthcoming year (24/25) we plan to invest £55m across our homes in these important improvements.



# Retrofitting – 300 Low Carbon Programme

- a. Whole House Approach
- b. Fabric First – Optimal level of Energy Efficiency
- c. Low Carbon Heating – Heat Pumps & Localised Biomethane
- d. Renewable Generation and Storage
- e. Improved education and energy advice to householders
- f. Detailed data monitoring to optimise efficiency

- The development of green supply chains and green jobs will lead to reduced householder energy bills and reduced carbon footprint.



# How can we improve our partnership?

- To help develop green supply chains and green jobs – through access to a Social Housing Decarbonisation Fund when available.
- Support upskilling of the sector in MMC, energy efficiency and ‘green skills’.
- Make construction a more attractive offering for apprentices.
- Review our procurement processes in terms of flexibility, where possible.
- Support contractors to meet all necessary regulations/governance.



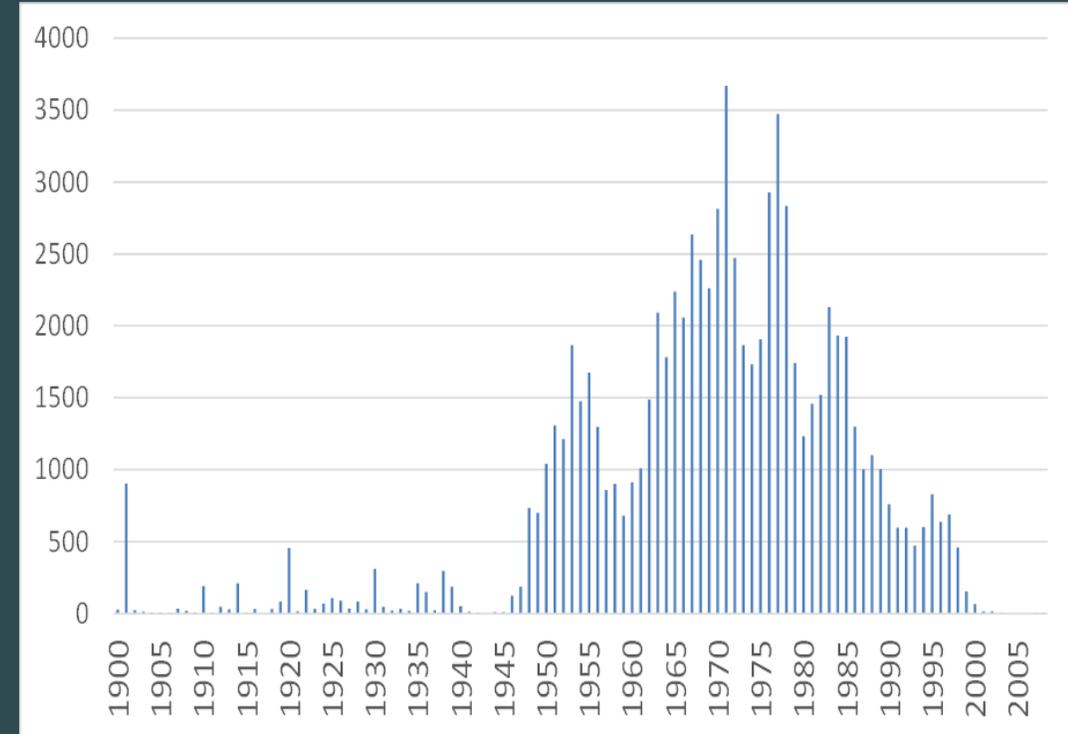


Paul Isherwood,  
Director of Asset  
Management,  
Housing  
Executive

**Housing**  
Executive

# Housing Stock Overview

- Circa 83,000 dwellings
- Very wide range of age, type and construction
- Houses 56%, Bungalows 21%, Flats 20%,  
Maisonettes 1%, Cottages 1%
- High % of non-traditionally constructed  
properties
- Declining compliance against Decent Homes  
Standard
- Energy efficiency: c.75% SAP D or less
- Accessibility (AHR)
- Plus shops, garages blocks, hostels, travellers  
sites and offices & depots
- Leasehold: 6,159 properties



# Stock Investment Services & Programmes

- Response Maintenance Service
  - Repairs, Change of Tenancy works, minor adaptations
- Compliance/Cyclical Maintenance Programme
  - Servicing & Inspections, Grounds Maint., External Cyclical Maint.
- Planned Maintenance Programme
  - Component renewal based on lifecycles, Health & Safety
- Stock Improvements Programme
  - Multi-element improvements, cladding, reconfiguration etc.
- Major Adaptations programme (primarily Extensions)



# Current Strategic Investment Approach

- Approach approved by Board & DfC pending outcome of the Social Housing Reform Programme and now Housing Executive Revitalisation programme
- Balanced approach aimed at maximising lettable stock in the face of growing housing need by (1) meeting statutory/regulatory requirements, (2) fulfilling landlord obligations, and (3) addressing Fuel Poverty/climate action via a limited measure of energy efficiency works, within the available funding envelope.
  - Investment priorities
  - Compliance/Health & Safety
  - Response Maintenance & Voids/CoTs
  - Adaptations
  - External Cyclical Maintenance
  - Component renewal backlog

# Stock Investment Issues (1)

- Stock Investment Requirements
  - Savills 2021 report - £10.3 billion over forward 30 years period
- Planned Maintenance backlog (2021 - £620 million; increased since)
- Energy Efficiency/Decarbonisation requirements
  - Government's Climate Action Plan
  - NIHE Sustainable Development Strategy target - 23% reduction in carbon emissions from our housing stock by 2030
  - Review of Heating Policy - introduction of no/low carbon heating systems
  - HECA 'Fabric First' approach
- Cavity Wall Insulation Action Plan
- Damp & Mould Action Plan being finalised



# Stock Investment Issues (2)

- Tower Blocks Strategy & Action
  - Largely a mix of demolition, new build, retention/refurbishment/improvement
- Building Safety
- Future Housing Standards
  - DfC review of the Decent Homes Standard in NI
  - Future energy efficiency target?
- Internal resources/skills
  - Particularly regarding thermal retrofit
- Stock Investment Funding
  - Continuing significant funding shortfall against requirements
  - Importance of Housing Executive Revitalisation programme



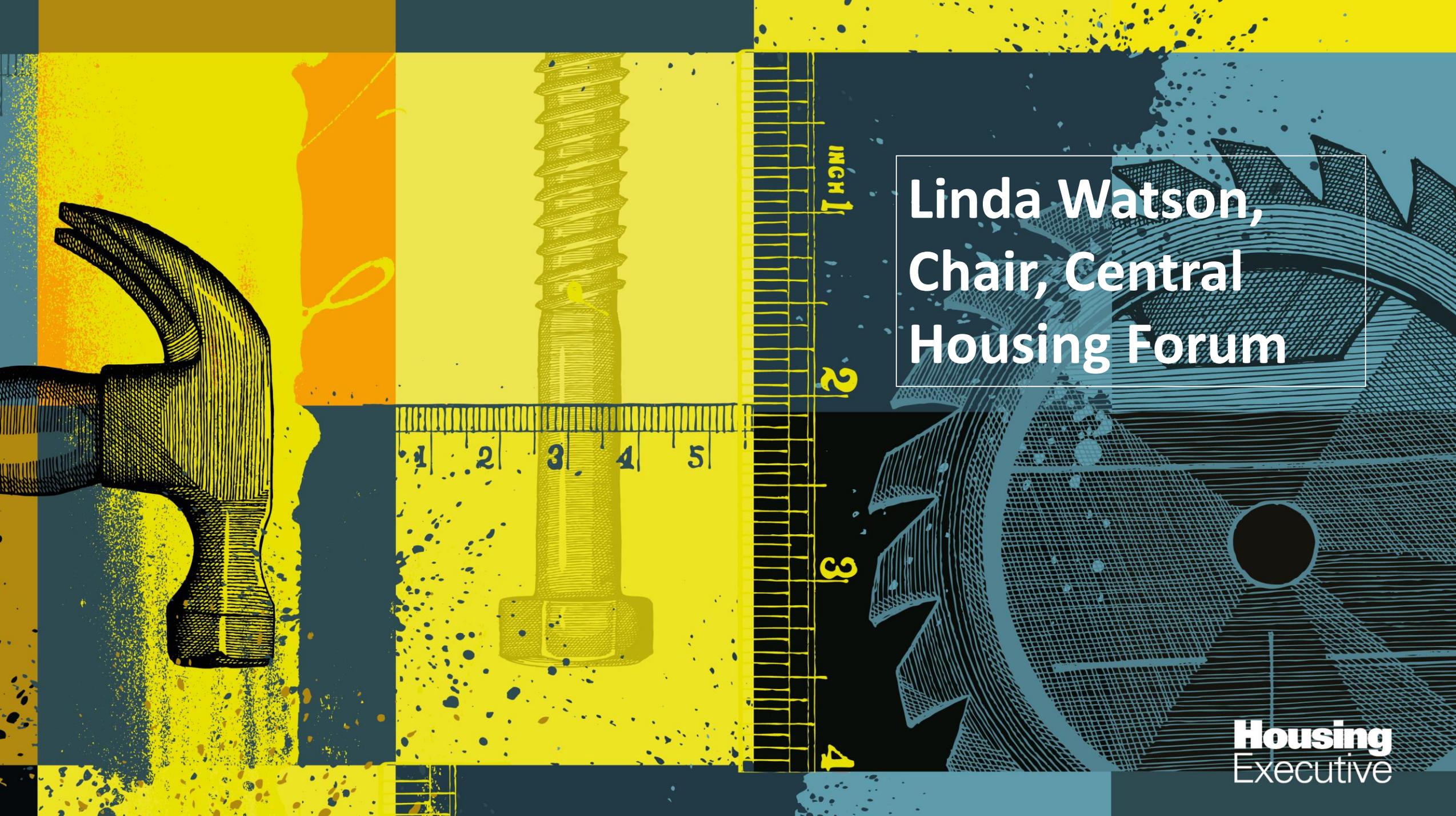
# 25/26 -29/30, 5 Year - Projected Quantum of Planned Maintenance and Stock Improvement Works

- Base position – assumes continuation of current rent increases
- Approximately £1.442 billion available for spend on the stock
- Not sufficient to fund everything we need and want to do
  - Additional funding may become available at some point during the period
- Current indications are that £662 million will be required for Response Maintenance and Cyclical Maintenance i.e.
  - Repairs service
  - Change of Tenancy works
  - Minor Adaptations
  - Servicing & Inspections (e.g. electrical, asbestos, heating, legionella etc.)
  - Grounds Maintenance

# 25/26 -29/30, 5 Year - Projected Quantum of Planned Maintenance and Stock Improvement Works

- Approximately £780 million available for Planned Maintenance & Stock Improvements
  - £20m Safety/Security
  - £33m Tower Blocks
  - £16m Demolitions
  - £5m special schemes
  - £265m Heating installations
  - £90m Major Adaptations

Workstream	Dwellings
Cavity Wall Insulation	12,000
External Wall Insulation	2,500
Loft Insulation	7,500
Windows	6,000
Doors	5,000
Kitchens	14,000
Bathrooms	20,000
Roofs	2,000
Electrics	13,000
External Cyclical Maintenance	45,000



Linda Watson,  
Chair, Central  
Housing Forum

# What is my role?

- Housing Executive tenant for 33 years.
- Chair of Housing Executive Central Housing Forum.
- Independent member of the Tenant & Customer Service Committee, helping to co-design and input into NIHE Housing Services.
- HCN is made up of 500 community groups across NI.
- Involved in District Housing Community Network (HCN) meetings.
- Area HCN's – deal with local issues to address needs of local people - 13 different areas send a representative to CHF.
- We also work very closely with hard-to-reach groups i.e. disability forum, rural forum and youth forum.
- Represent the West Area of Northern Ireland.

# What do tenants expect from contractors?

- Quality work & value for money.
- *You shouldn't expect a tenant to accept anything less than you would in your own home.*
- Sustainable, thermally efficient homes that will lower fuel costs.
- Good communication – specifically during response and planned maintenance work.
- Be mindful of tenants who are working or have caring responsibilities.
- Make contact with local community group when starting a scheme in a local area – this can help trouble-shoot any potential issues.
- Pro-actively show local community plans for schemes in advance.



# What are the benefits of good quality social housing?

- Supports tenancy sustainment.
- Enables older people to live in their homes for longer.
- Reduces carbon production and helps protect the environment.
- Has a significant positive impact on a tenants' physical and mental health.
- Supports the development of children and young people.
- Helps to build more resilient, vibrant and peaceful communities.

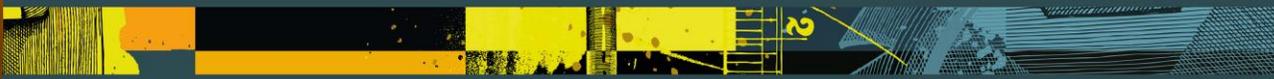




Kevin Logan,  
Assistant  
Director,  
Procurement



Enabler: *a person or thing that makes something possible*



# Procurement as Enabler

# Perception of Procurement

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Bureaucracy

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Slow

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Challenge

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Expensive

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Delay

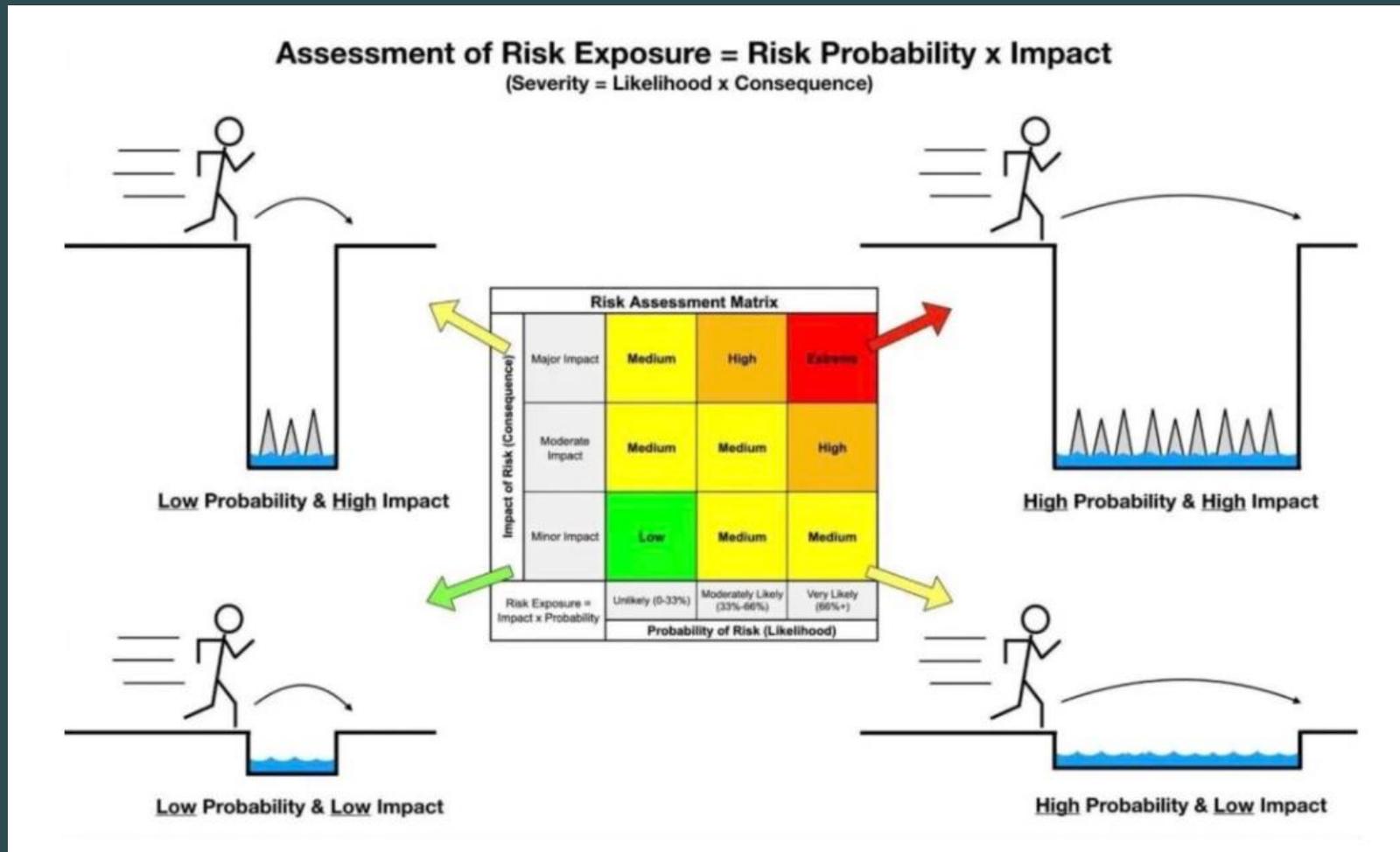


# NIAO Report on Procurement

## A culture of undue risk aversion is a key systemic issue

- 2.7** Across all parts of the UK an undue level of risk aversion amongst procurement practitioners has been identified as a fundamental issue underlying a number of practical performance issues. It can result in procurement authorities being too process driven and impairs the ability of procurement to deliver positive outcomes. For example, in 2013, the Chartered Institute of Purchasing and Supply (CIPS) reported to the Westminster Public

# Managing Risk



# So what is Procurements role?

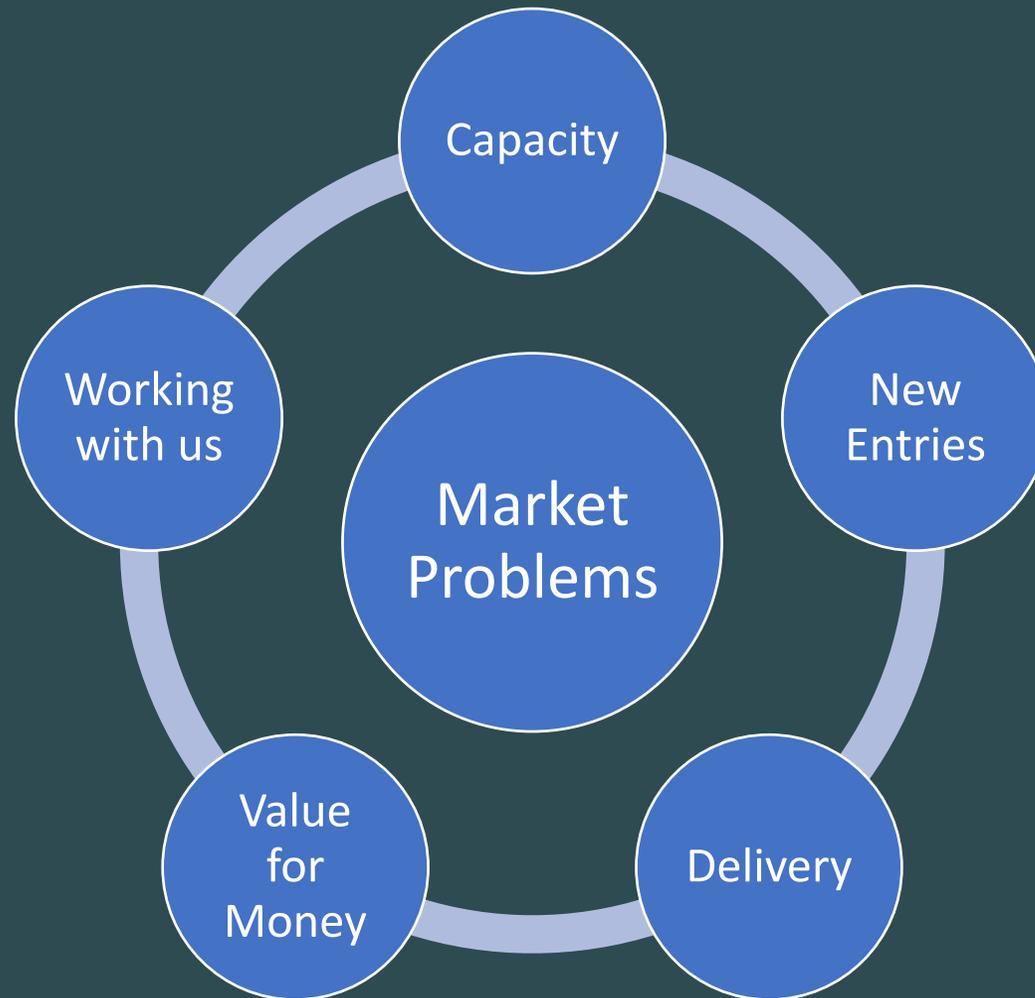
## Referee



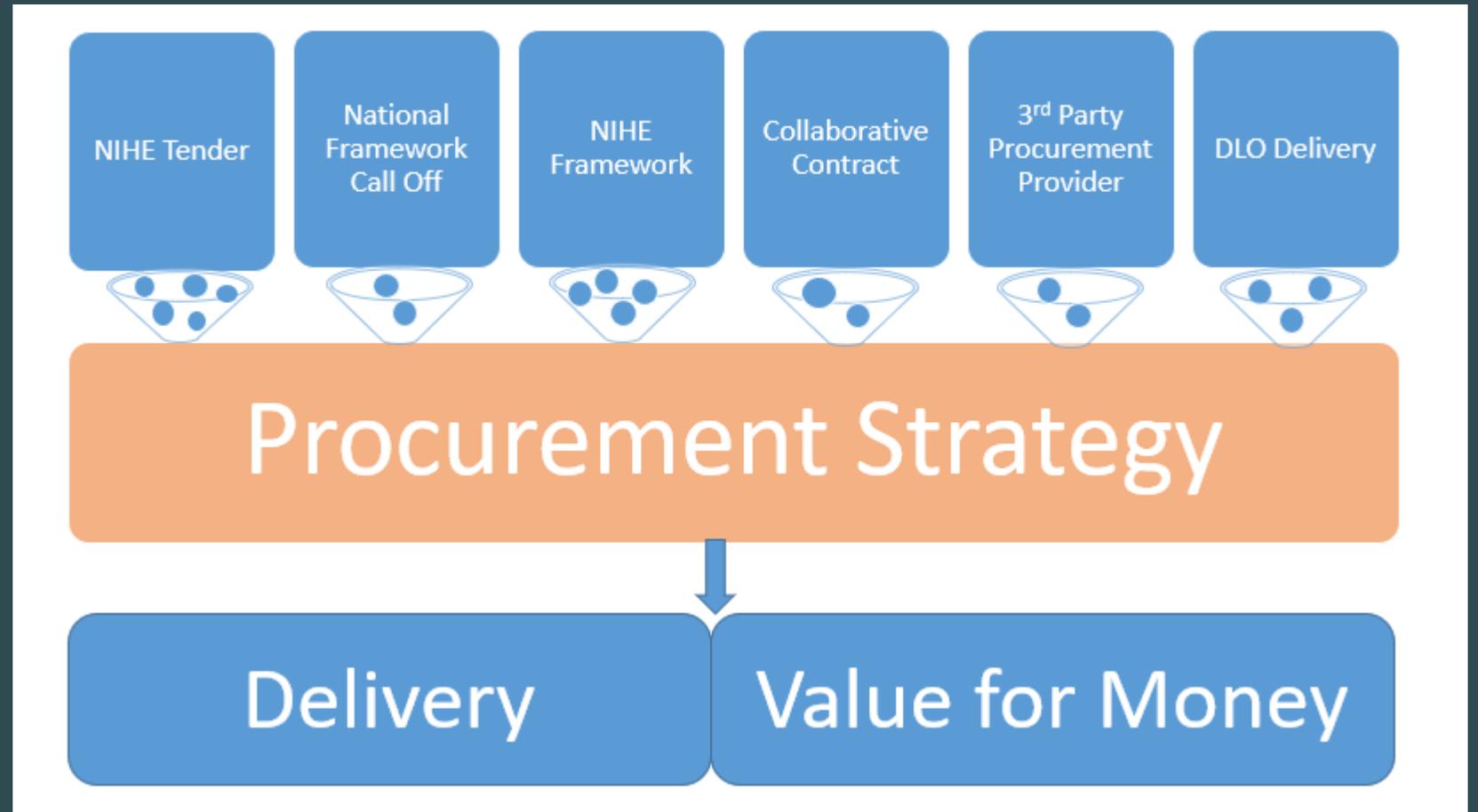
## Strategy



# Our Market



# Strategy

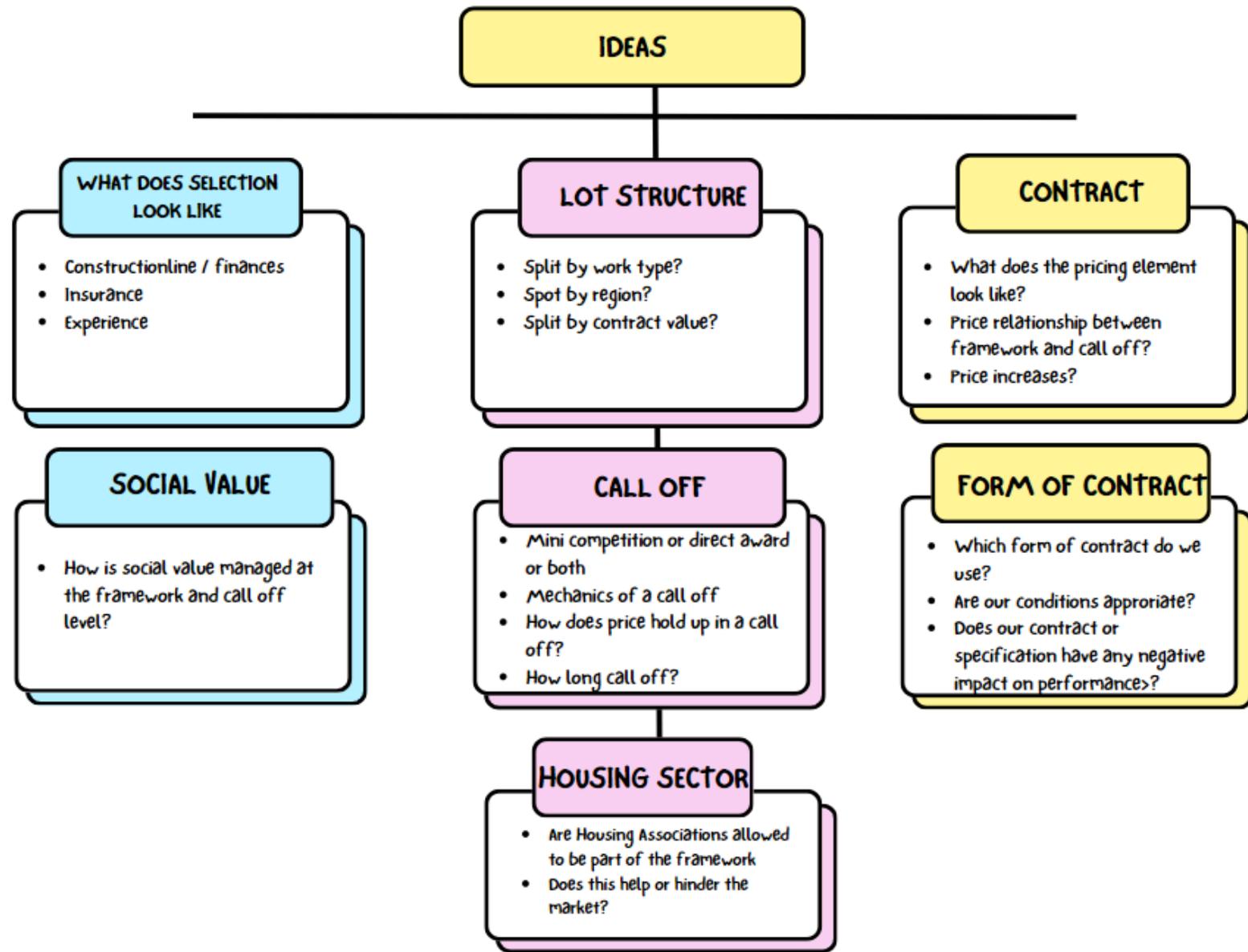


# NIHE Frameworks

- Programme of Frameworks
  - Response Maintenance
  - Planned Maintenance
  - Minor Works – Dynamic Purchasing System (DPS)
- Direct award & Mini Comp options
- Allow for quicker award

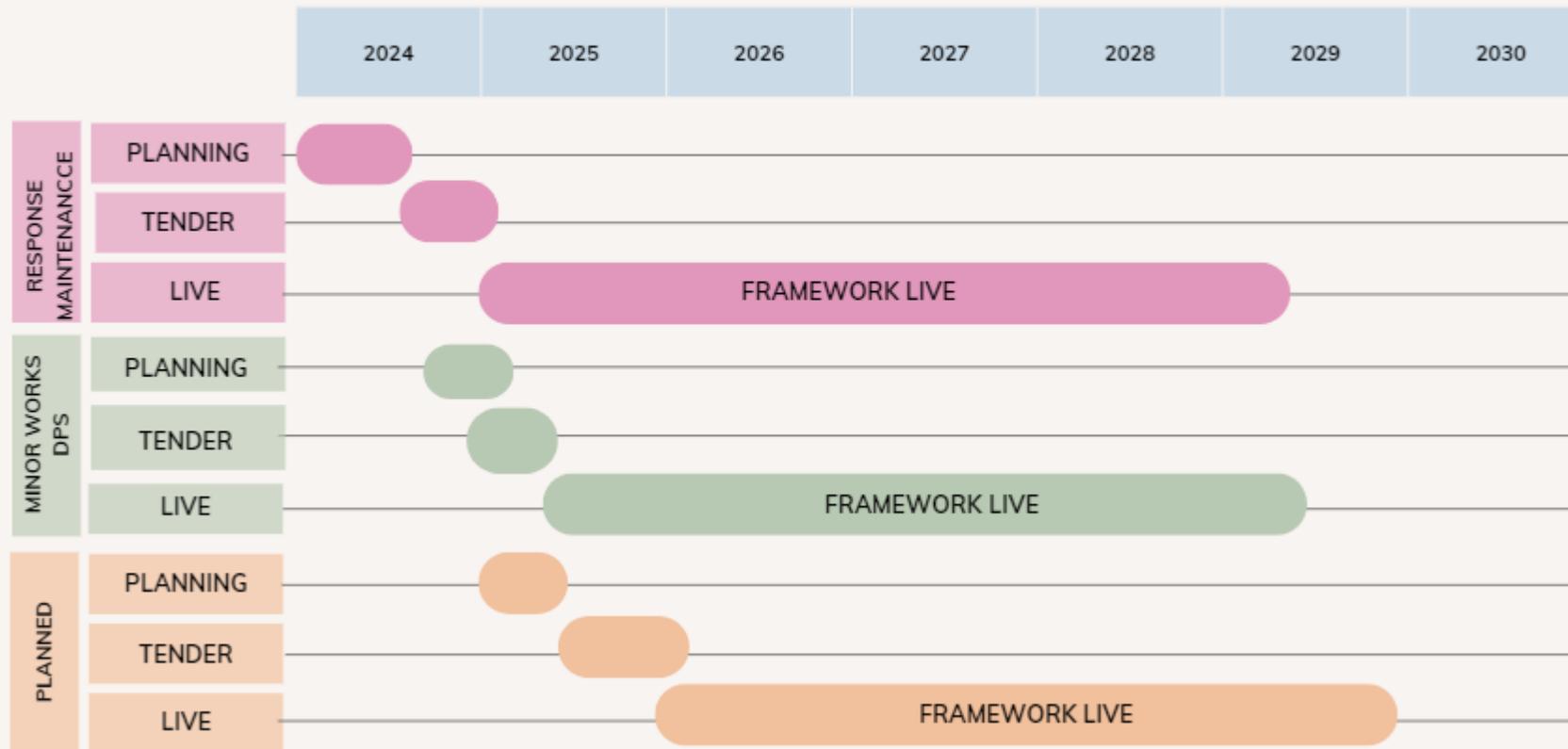
# My Notepad

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# 2024/25 Framework Programme

## DRAFT FRAMEWORK PROGRAMME



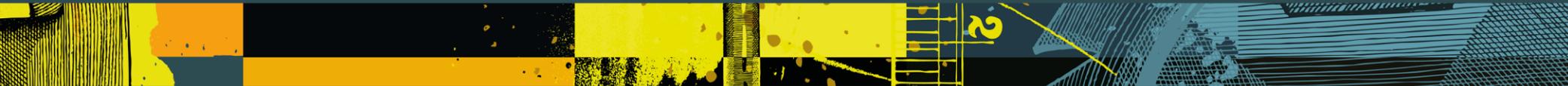
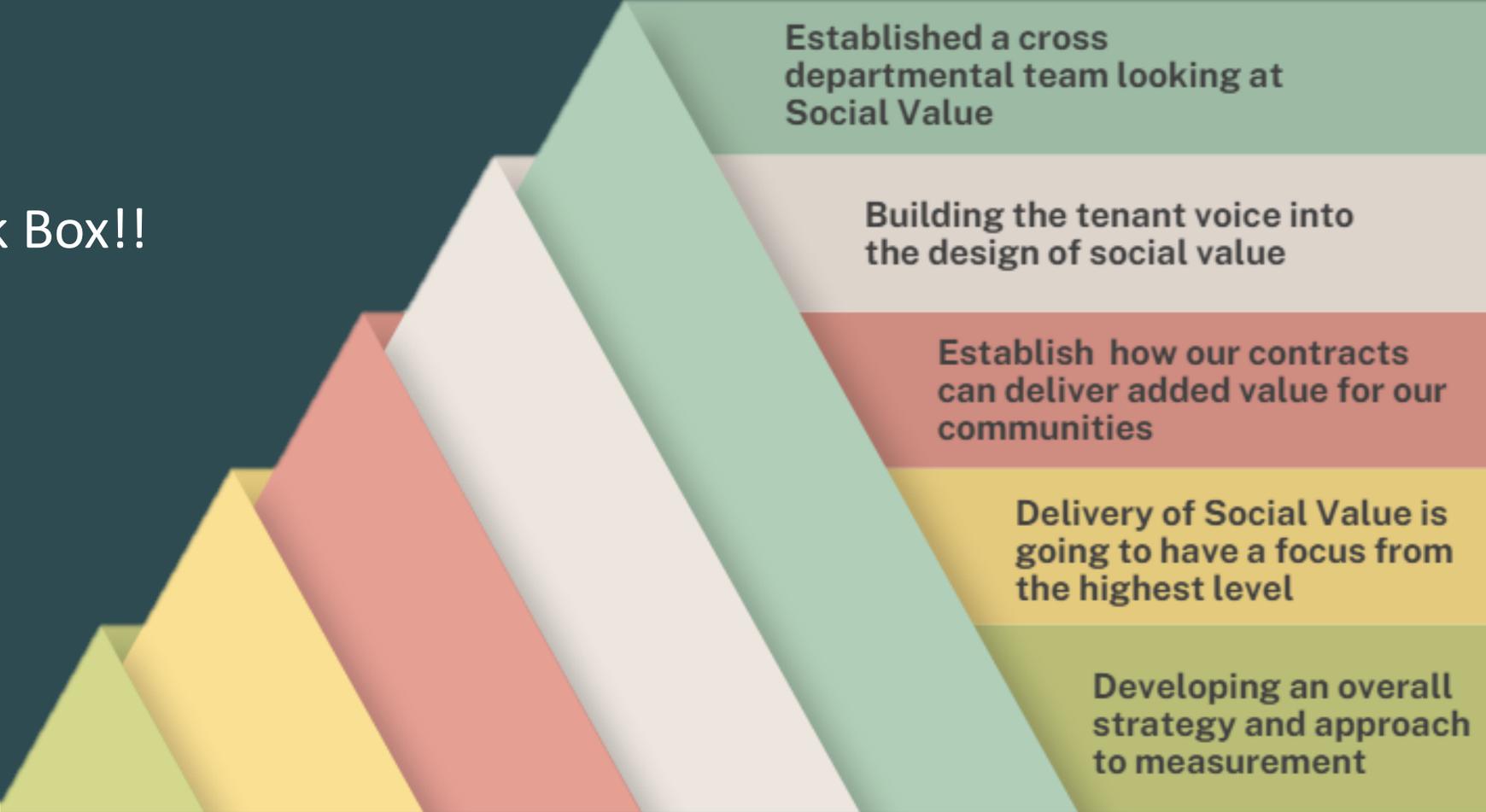
# Social Value & The NIHE

- NIHE has been doing Social Value for 50 years, with Social Value is at the heart of every aspect of the organisation
- We have embraced PPN 01/21 and working with our contractors to deliver:
  - 190 Paid opportunities on NIHE contracts since Aug 2021
  - 136 Apprentices via NIHE contracts
- Amazing work.....but we think we can do more



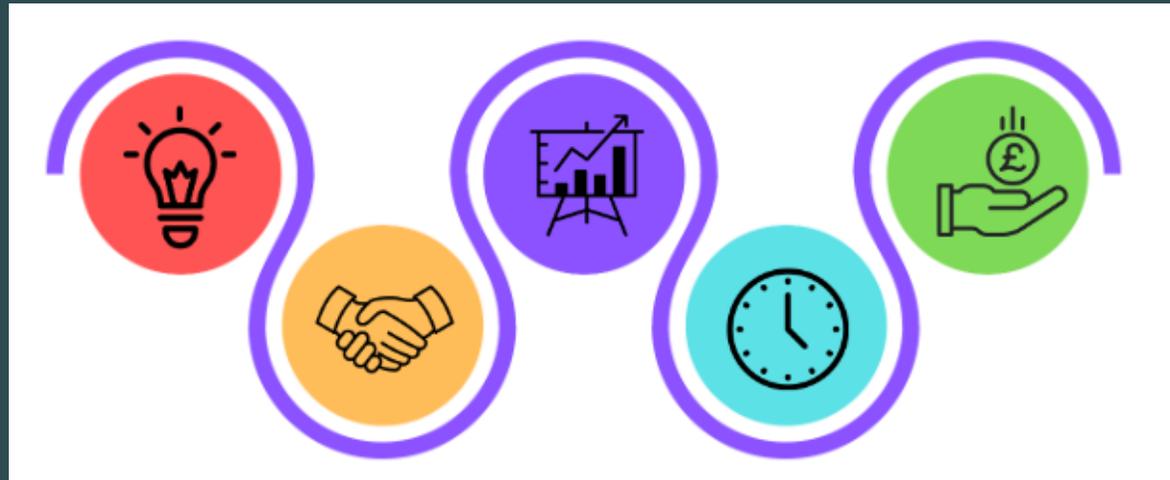
# Social Value Action Plan

Beyond the Tick Box!!



# Follow Up

[supplierengagement@nihe.gov.uk](mailto:supplierengagement@nihe.gov.uk)





Angus Kerr,  
Director, Climate  
Change Division,  
Department for  
Communities

# Climate Change Act NI 2022

**Act**



Passed Final  
Stage in the  
Assembly

Received Royal  
Assent on 6th June

**Net Zero  
2050**

Sets a target of net zero  
greenhouse gas emissions  
by 2050.

**Public  
Body  
Reporting**

**Carbon  
Budget**

**5**  
years

**Climate  
Action Plan**

**Northern  
Ireland  
Climate  
Commissioner**

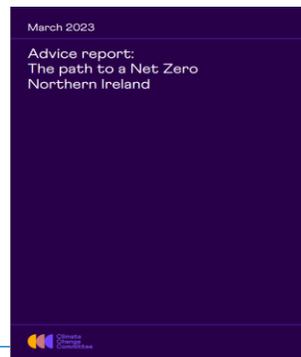
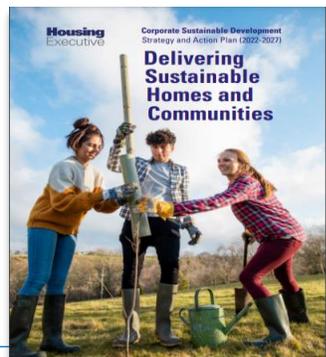
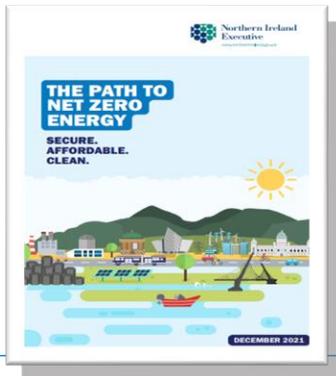
**Sectoral Plans**

**Just  
Transition  
Commission**

**Just  
Transition  
Fund for  
Agriculture**

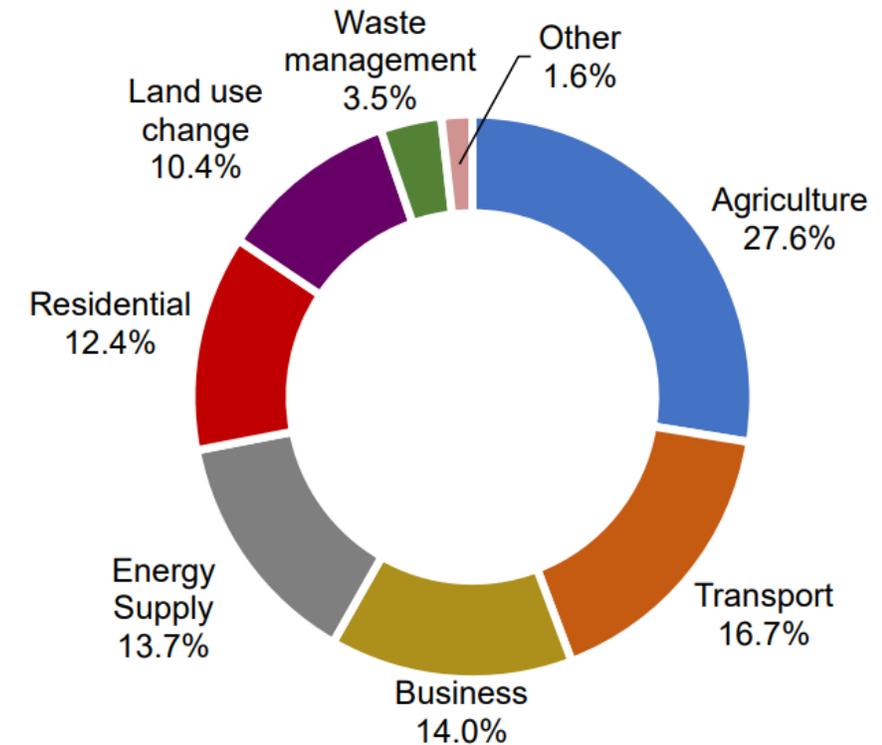
## Context and CCC advice:

- 33,000 annual heat pump installations to 2030
- 1582 annual connections to district heating to 2030
- Substantial improvement in energy efficiency of existing building stock
- Alignment with other key existing and draft strategies and consider CCC advice



## Emissions by Sector

Figure 3: Greenhouse gas emissions by sector (%)<sup>11</sup>  
Northern Ireland, 2021

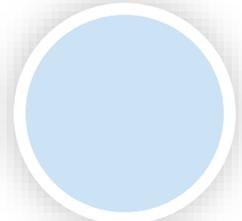


# Residential CAP Journey



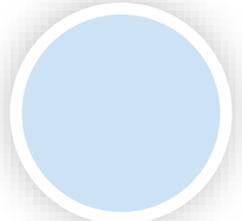
**Climate Change Act (NI) 2022**

**Statutory Duties and Obligations**



**DfC Sector Lead – Residential**

**Cross Departmental**



**Policies and Proposals**

**Ambitious yet deliverable  
Quantifiable  
Enabling Actions**



**Carbon Budget 1<sup>st</sup> CB to 2030**

**NI Overall  
33% reduction by 2027  
48% reduction by 2030**

**Residential  
33% by 2030**



**Just Transition**

**Financial, Social and Economic Assessments  
Nature-based Bio-diversity  
Carbon Leakage  
Adaptation  
Resilience  
Sustainable Economy  
Etc.....**



**1<sup>ST</sup> CAP 2023 - 2027**

**Consultation  
Publication  
Progress Reports**

# **CAP – POLICY APPROACH**

**REDUCE ENERGY CONSUMPTION**

**USE OF LOW CARBON OPTIONS FOR HEATING**

**RAISE STANDARDS**

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Retrofit 'net zero'

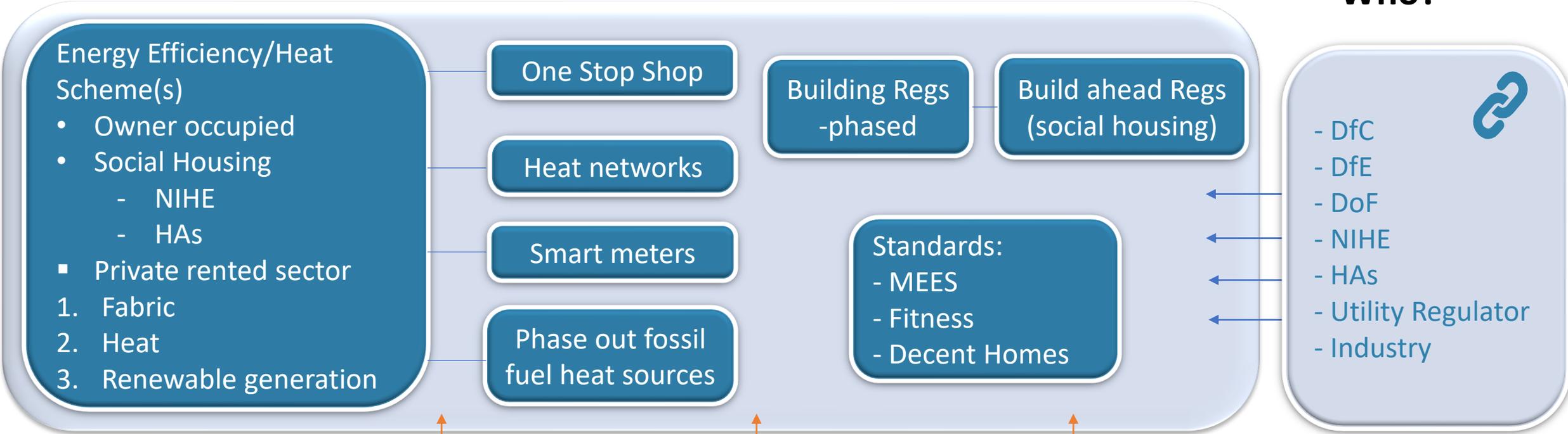
# 2050 Net Zero Residential Sector

Build 'net zero'

**What?**

**How?**

**Who?**

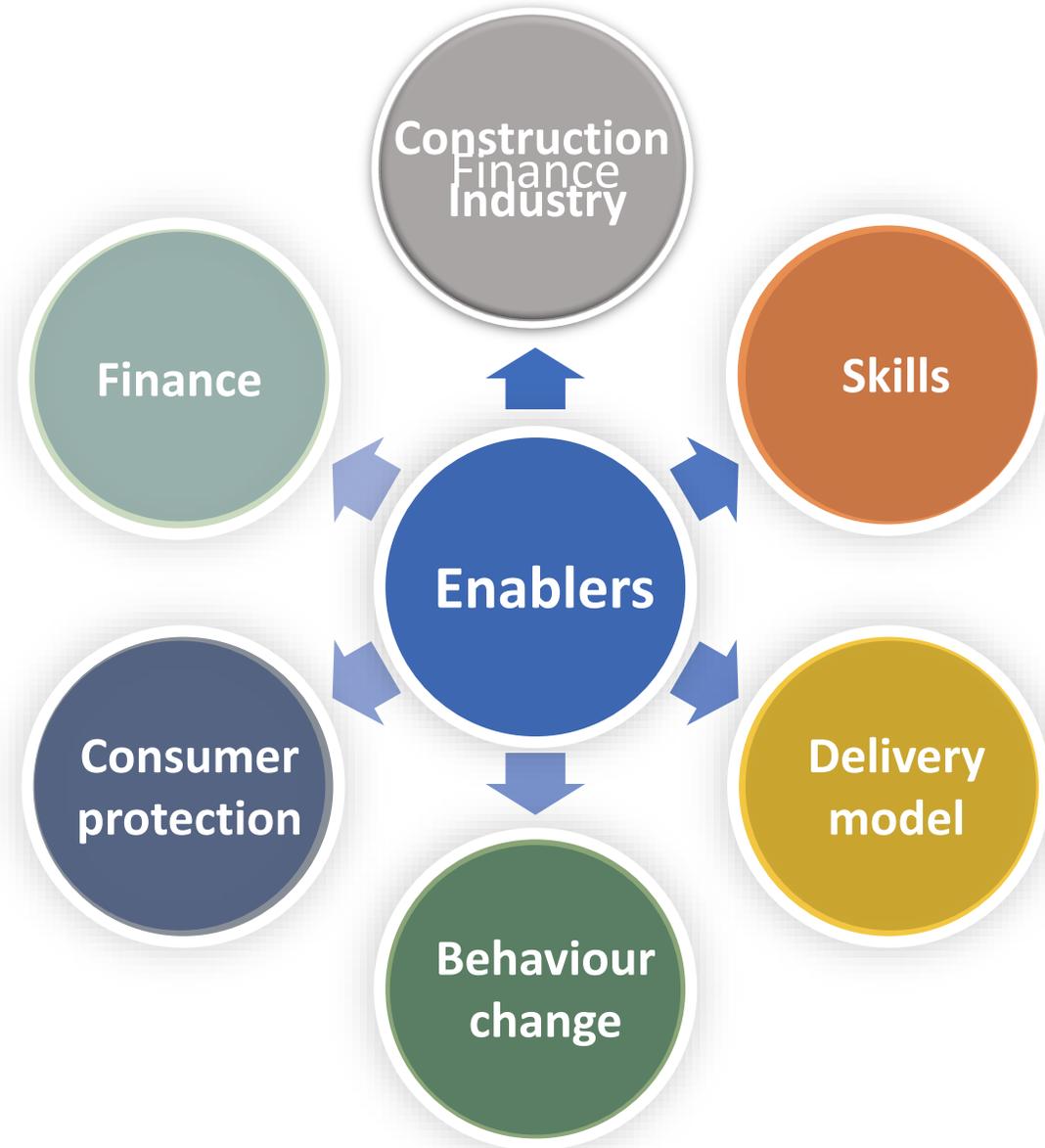


**Underpinning:**

Decarbonisation

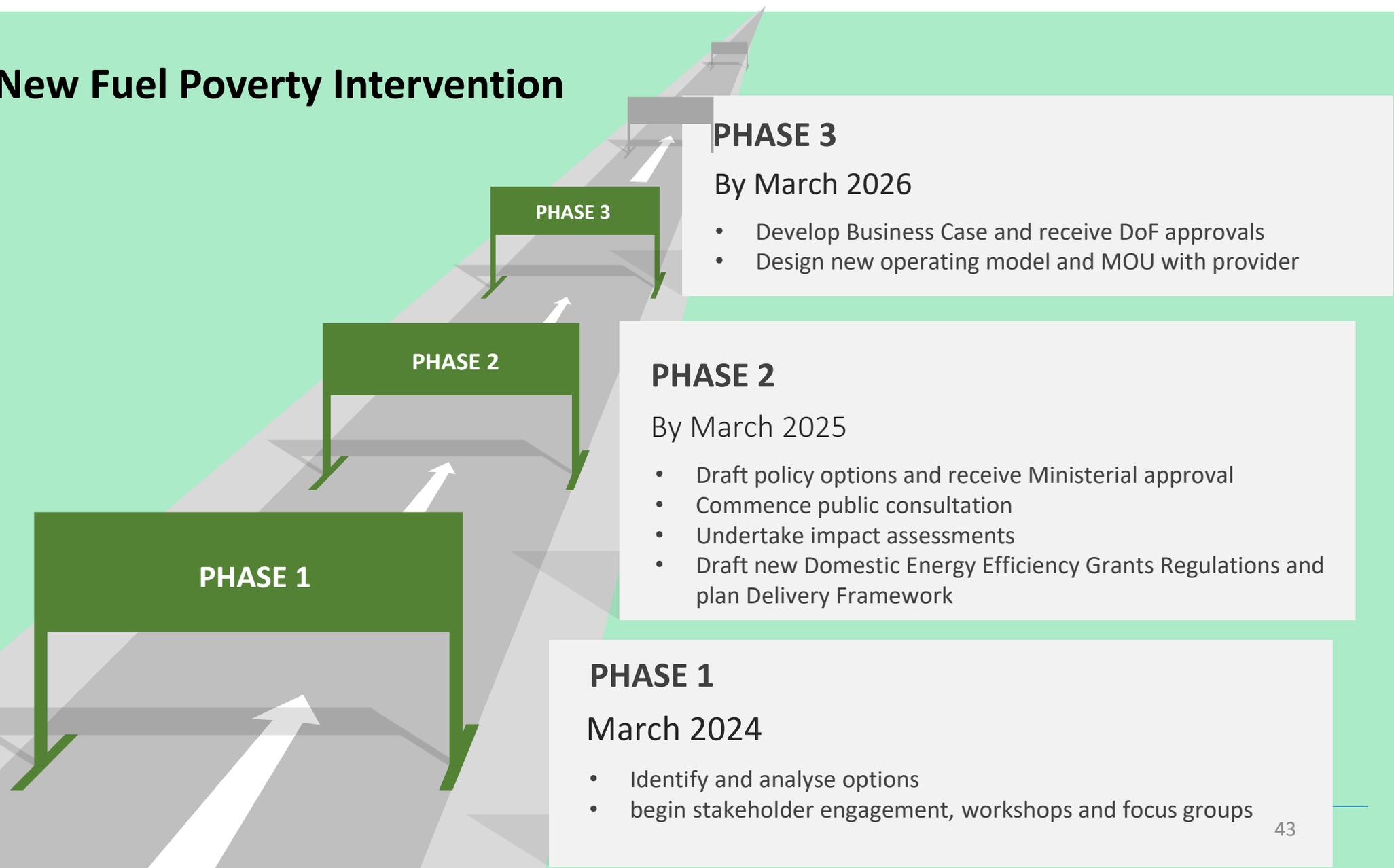
Support for those who need it most

Economically viable investment





# New Fuel Poverty Intervention



## PHASE 1

### PHASE 1

March 2024

- Identify and analyse options
- begin stakeholder engagement, workshops and focus groups

## PHASE 2

### PHASE 2

By March 2025

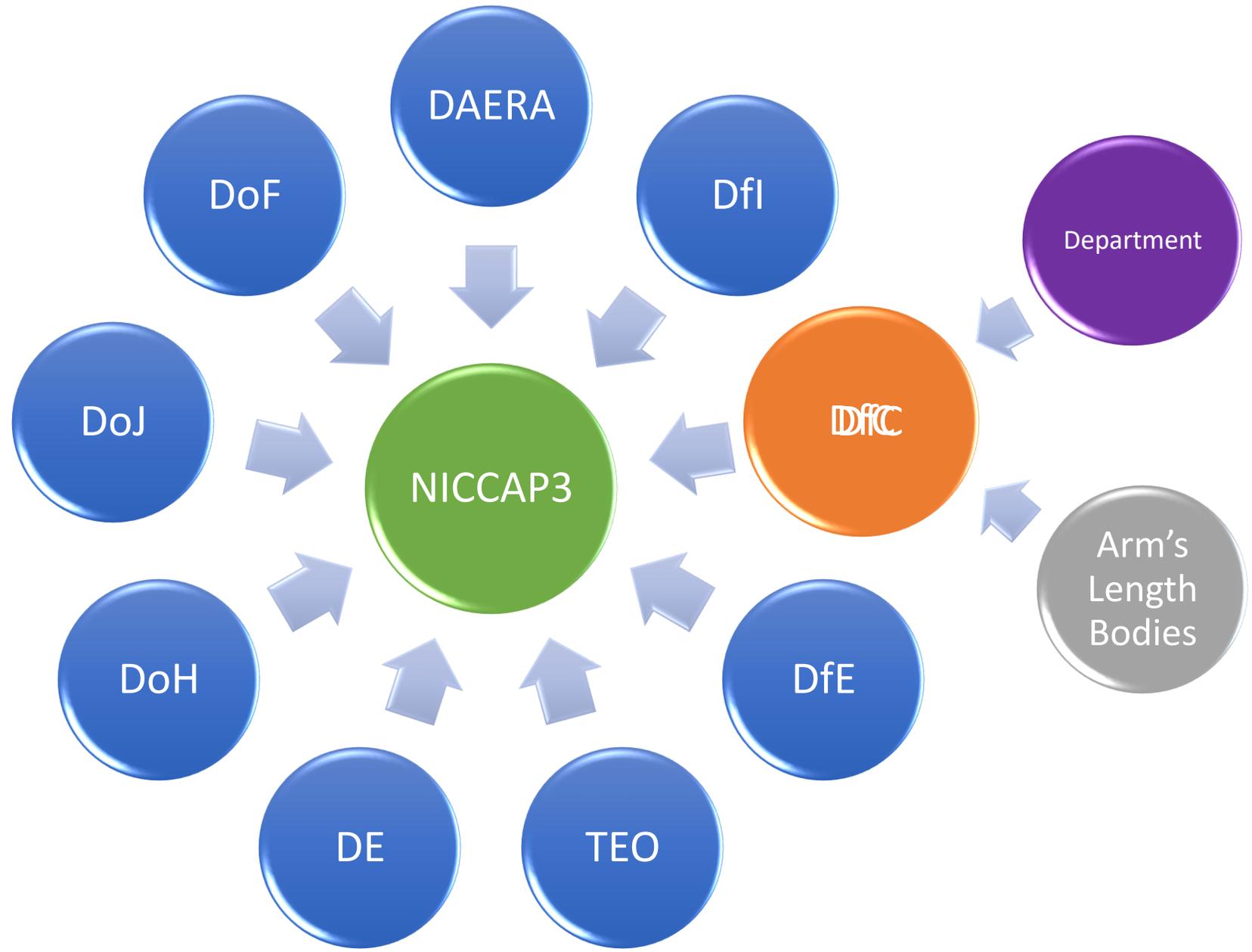
- Draft policy options and receive Ministerial approval
- Commence public consultation
- Undertake impact assessments
- Draft new Domestic Energy Efficiency Grants Regulations and plan Delivery Framework

## PHASE 3

### PHASE 3

By March 2026

- Develop Business Case and receive DoF approvals
- Design new operating model and MOU with provider

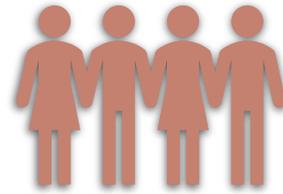


**NICCAP3** Third Northern  
Ireland Climate Change  
Adaptation Programme

# KEY MESSAGES



Collaboration



People



Delivery

# Feedback Session- Menti.com

- Go to [menti.com](https://www.menti.com) on your phone.
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- Skip ahead when prompted.
- Hit 'Submit' when you have responded to a question. Then wait until the next question appears.
- All responses are completely anonymous.



# Paul Isherwood – Closing Remarks

If you would like to book a one-to-one with our procurement team please email us at [supplierengagement@nihe.gov.uk](mailto:supplierengagement@nihe.gov.uk)