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Commonities

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1. Introduction

The NI Assembly has recently passed Climate Change legislation (the Climate Change Act (NI) 2022) committing to a 100% reduction in emissions by 2050. This is an extremely challenging target, going beyond the 82% reduction that the UK Climate Change Committee felt was NI's equitable contribution to the UK achieving 100% reduction by 2050. The statutory duty to reach this position, alongside the growing evidence of a warming and changing climate, reinforces the need for robust and immediate action by everyone to address the causes of climate change and mitigate its impacts.

The Department for Communities has taken important steps in the last twelve months in this regard. We put in place structures to coordinate our understanding of and response to climate change. We published a Climate Change Action Plan for 2021-22, and reported biannually to the Departmental Management Board on progress against the plan.

The first NI Climate Change Action Plan will become effective in 2023. This will include societal actions and targets, including for those sectors (most notably residential buildings) in which DfC is central. The NI Plan will place duties and actions on DfC, as it will on all Departments and many other bodies. This Departmental Action Plan therefore focusses on 2022-23, as a transitional step within a rapidly-evolving situation from the 2021-22 Plan to the NI Plan. It recognises the longer-term challenges and priorities, and the pressing need to increase our understanding of necessary actions – taking forward the how as well as the why.

The plan also summarises what we have achieved in 2021-22, providing a platform on which to build our part in this collective work. Time is against us, and the scale and urgency of the challenge are immense. The Department commits itself wholeheartedly to the endeavour, and to the changes that will be necessary for us to deliver.



2. Progress to date

The Department has taken a coordinated and collective approach to climate change activity. The Permanent Secretary appointed a Climate Change Lead at senior level in early 2020, and a Climate Change Working Group of officials from across the Department meets regularly to discuss and action issues. A number of our Arm's Length Bodies are members of the Working Group, and all ALBs are kept informed of and connected to issues through Climate Change being a standing item on the ALB Chairs Forum which meets quarterly.

The Working Group created a 2021-22 Action Plan which was approved by the Departmental Management Board and the Minister and published. It contained 36 actions, progress against which was monitored through the year. Some of the key issues are drawn out in this section.

Our understanding of specific climate change issues has evolved during the last year, with increased understanding and more data adapting our view of appropriate responses. The 2021-22 Action Plan included actions which were for others outside the department, for instance. It also underestimated the challenge of gaining momentum given the scale of the challenge. The Working Group held a workshop in early

2022 to reflect on how we learn from the last year to shape our future plans.

KEY PROGRESS WE HAVE MADE IN THE LAST YEAR INCLUDES:

- Bringing further clarity to the challenge that faces the Department, articulated as a Board-level risk, against which we have monitored progress and which was subject to a deep dive at the November 2021 Board meeting
- The delivery of a Climate Change Fund which provided £1,021k in capital funding for business areas and ALBs to make practical changes to reduce their carbon footprints. 23 projects were completed, including projects for exhibition material across a number of Arm's Length Bodies, improvements in climate monitoring facilities at the Armagh Observatory and Planetarium, tree planting, electric vehicle charging points and a heat decarbonisation pilot programme.
- The completion by National Museums
 NI of a Carbon Audit for the organisation's
 activities, enabling a clearer
 understanding of the extent of carbon
 emissions, key sources and actions that
 can be taken to address them. A key

finding was that the bulk of the emissions were Scope 3 emissions – those largely outside the control of the organisation – including through procurement choices, and associated with visitors to the museum sites

- Engagement with experts at Ulster
 University on the area of embodied or full
 life carbon. Much research and focus to
 date has been on operational carbon

 that expended through the use of
 buildings (particularly through heating).

 This excludes the considerable carbon
 impacts of construction and of
 alterations/ demolition. It is an area
 which can create claims and counterclaims about the best approach, and is
 therefore an area in we have sought
 academic rigour. A seminar was held in
 March 2022 to take this work further
- Collaboration with heritage agencies
 elsewhere in the British Isles, with a
 signing of a Memorandum of
 Understanding with the Irish Government
 on climate change issues, and working
 with the National Trust and GB heritage
 agencies on a project to assess and
 report climate change hazards by area.
 This included a conference at Mount
 Stewart in March 2022 and contribution
 at two COP26 events (climate resilience
 heritage summit and BIC's Cultural
 heritage and coastal resilience).

- Considerable work to increase staff awareness of climate change issues and the impact that we can individually make, this awareness being increased through seminars, Intranet content and discussion
- Strong and active engagement with other Departments, notably DAERA which has a lead role, to connect our work to that across departments including on Green Growth and Energy
- The enacting of legislation which allows minimum energy performance standards to be applied for the private rented sector
- Engagement with DfE to progress thinking and planning on a domestic building retrofit programme, with clear understanding of the connections of this to the Fuel Poverty Strategy
- The deployment of European Regional Development Fund funding to better insulate almost 1,900 of NIHE's nontraditional homes.
- Supporting pathfinder pilot projects to assess improved energy efficiency, zero carbon heating, data monitoring and tariff changes.
- Engaging with DWP on the terms and conditions of the Motability scheme

- The creation of a Ministerial Advisory Group (MAG) Climate Change Working Group and action plan
- Embedding requirements to consider climate impacts in our grants to the voluntary and community sector
- Completion of desk top research on embedding climate risk and vulnerability assessments in urban regeneration interventions

It is against this important progress that the Working Group reviewed progress and priorities.





3. Key activities for 2022-23

In its review of progress, the Working Group endorsed the collaborative approach that has formed through its work, and recognised the need for collective discussion and clarity. It recognised the additional understanding that we have gained in the last year, and endorsed the view that a more focussed set of headline actions is appropriate for the coming year as we also input to the NI Plan for 2023-27. It is these key areas that the Working Group will focus on, supporting senior managers across the Department, and receiving reports from business areas on progress they have made and issues that they have encountered.

All of this work takes place in the context and challenges of the present. Of very significant impact is the current cost of living crisis, with rapid and ongoing rises in energy prices. These highlight both the opportunities through retrofitting and specification of homes to reduce emissions and therefore running costs; but the significant challenges to provide funding for this work alongside addressing the immediate financial challenges for households. In the round, households in the lowest household income quartile are more vulnerable to energy price and expenditure pressures compared to higher

income households with that vulnerability more focused on heat and power.

Households in the third and highest household income quartiles, by contrast, would be more impacted by price and expenditure increases on motor fuel. ¹

Another key element in determining future emissions is the transition towards hybrid working in many sectors, including for the 12,500 staff of DfC and our ALBs. This transition highlights the balances to be struck between a number of factors – including effectiveness of business activity, impacts on the economy in different locations, and climate impacts of our approach.

We recognise that all is interconnected where climate change is concerned, and that the Department is part of a wider series of actions. We are committed to remaining a leader in this work, and to bringing our energy and insights to bear in the collective endeavour. This includes ensuring that we invest in our assets and our people so that we reduce emissions and share the lessons that we learn. There is still a profound need for data, and converting this into information and knowledge on many aspects of climate change – there is

¹ DfE's Northern Ireland Household energy expenditure: Income differences and Non-Discretionary Impacts (March 22)

much that we are learning that we do not know, and that is increasing the list of things that we now know that we do not know.

We have organised the key Departmental activities for 2022-23 under cross-cutting themes, rather than by business area, to emphasise the interconnectedness of our work. Together these will underpin the Department's priority to develop and support sustainability & Green Growth in Northern Ireland under the Sustainability and Inclusive Growth theme in our Corporate Strategy Building Inclusive Communities. These frame a strategic objective to ensure our approaches deliver a cohesive programme of activity to mitigate and adapt to climate change and to show leadership in this regard. The headline actions in this Plan are embedded in and reported on as part of the Departmental planning process.

We recognise the need to invest in this vital activity, and to maintain and increase pace. We also, however, recognise the need to do so in a time of constrained resources. We have therefore reviewed the staffing and cost requirements of the actions in this plan, and consider that they present a challenging but necessary set of ambitions with regards to tackling and coping with climate change. The requirements, and how we will set about meeting them, are covered in Section 3.4

3.1 Mitigation – pathways to achieving Net Zero

There is agreement amongst experts that we all need to reduce emissions, and to do this very urgently indeed. The Department is an emitter of carbon in our activities, and has responsibility for a number of key policies and sectors in which we need to lead and shape mitigation activity. This plan sets out key areas and actions; all business areas will continue to seek to reduce emissions from their activities.

Residential buildings were responsible for 14% of NI's emissions in 2018. We are working closely with DfE (responsible for energy policy) and DoF (responsible for Building Regulations) to drive forward plans to reduce operational and embodied carbon from residential buildings, whilst also prioritising our statutory duty to address fuel poverty.

We disburse very considerable amounts of grant funding each year – £67 million from Engaged Communities Group alone in 2019-20 – and through this can exert influence and leadership on many other organisations to consider their emissions and take appropriate steps. We have in the past for instance insisted that some grants are used for the purpose of new equipment and assets, rather than refurbished items. This is an approach that we are reviewing in light of climate considerations. We have included

additional provisions around climate change in many 2022-23 grant letters of offer.

And we fund, directly or indirectly, considerable construction activity in our housing and regeneration work.

OUR HEADLINE MITIGATION ACTIONS FOR 2022-23 ARE:

- Complete the RULET project as part of proofs of concept which test and refine approaches to retrofitting domestic properties; and scope out a 300 unit Low Carbon Programme to commence in 2022/23 for a 3 year duration to provide the evidence base for a revised NIHE heating policy, and inform development of wider decarbonisation policies
- 2. Agree appropriate climate change clauses for all Engaged Communities Group grant letters of offer so that they can be implemented in all 2023-24 letters, and where possible enlarge this approach to all other Departmental and ALB grant programmes

OUR SUPPORTING MITIGATION ACTIONS FOR 2022-23 ARE:

3. By 31 March 2023 to have completed the work needed to inform draft Regulations for the implementation of provisions on minimum energy efficiency standards for the private rented sector

- 4. By 31 March 2023 to have progressed the development of a Fuel Poverty Strategy which aligns with other key strategies including Energy, Green Growth, Climate and Housing Supply, so as to enable a just transition to net zero carbon by 2050 for vulnerable households
- 5. To support NIHE in ongoing delivery of the Affordable Warmth Scheme to assist 3,137 homes with 4,705 measures by 31 March 2023
- 6. By 31 March 2023 to have reviewed statutory provisions, planning and other heritage policy in relation to state care sites and considered operational policy and approaches that suitably balance heritage value and interventions to address climate change, with appropriate guidance being published
- Ensure that all vehicle purchases we make fully consider opportunities for maximising carbon efficiency at the outset in business cases
- 8. By 31 March 2023 to have introduced a range of measures to reduce carbon emissions and screen for climate change risks and opportunities in the design, procurement and delivery of regeneration projects

3.2 Managing risks – understanding the threats of climate change

We are continuing to learn about how activity impacts on climate change, and to gather data which we can use to understand and adjust approaches. It is vital that this work continues, as scientific knowledge and its practical application continue to develop at pace.

The Department has taken a lead in understanding the issues of embodied carbon, and this is an area in which we will continue to seek greater understanding. We have been involved in work to understand the particular risks to heritage assets of



climate change, recognising that older structures may be impacted in different ways than more modern structures. We also need to know more about the current state of homes and other assets in terms of climate issues.

We are responsible for a range of buildings and other assets, used for offices, storage, workshops, visitor attractions and many other purposes. National Museums NI has completed a carbon audit of its activities in 2021-22 and we will build on this.

With 12,500 staff working for the Department and our ALBs, we can make a significant impact in understanding, engagement and literacy of our staff, and through them of people they engage with, so that we can influence behaviours that collectively will make a significant difference. We have taken steps in this area in 2021-22 and need to build on this, continuing to demystify matters that can appear full of jargon and very scientific, to make them real for all of us in our day to day work.

And, vitally, we need to be at the heart of the NI work to create a Climate Change Action Plan 2023-27, ensuring that the complementary activities across Green Growth, Environment, Housing Supply, Skills (10X) and Energy Strategies are brought together and become more than the sum of the parts. We will also feed in the insights and data we gain from the House Condition Survey.

OUR HEADLINE MANAGING RISK ACTIONS FOR 2022-23 ARE:

- By 31 March 2023 to establish a new DfC Division to deliver Departmental climate change objectives and residential decarbonisation
- 10. Complete Energy Efficiency Audits during 2022-23 for at least two DfC office building assets to help inform future estate decisions and improve our climate change data and insight programmes
- 11. Publish an awareness document / good practice guide on whole life carbon and understanding embodied and operational carbon issues when considering building interventions
- 12. Build our staff engagement and literacy work, including for all ALBs and as appropriate for our funded and partner organisations, such that staff are clear of climate change issues and how they can take steps inside and outside work to make a difference
- 13. Implement the agreed Green Growth
 Test in all of our activities, thereby
 embedding climate, environmental and
 economic considerations and the
 appropriate balance between them in
 all of our decision making

OUR SUPPORTING MANAGING RISK ACTIONS FOR 2022-23 ARE:

- 14. By 31 March 2023 to have put in place monitoring systems to understand the difference that we are making and the distance we still have to travel in reducing emissions
- 15. Take an active role in the DAERA-led work to develop a 2023-27 Climate Change Action Plan for NI, ensuring that it includes robust and joined-up targets for our areas of responsibility, meets the requirements of science and the Climate Change (NI) Act 2022, and is suitably funded
- 16. Utilise our links with councils and our ALBs such that, by 31 March 2023, there is clear understanding of council, ALB and Departmental priorities, an understanding of where centres of excellence in the bodies lie which might be drawn on, and means to identify potential opportunities to work collaboratively on climate change matters
- 17. By 31 March 2023 to have progressed a plan of how to use the heritage hazard mapping data, address data gaps, and integrate it with other data

3.3 Adaptation – preparing for a changing climate

Climate change is already occurring. It is impacting our weather, our economy and our lives. We therefore have to take action to adapt to its effects, as well as to mitigate further change.

The Department has a number of key responsibilities in this area, including for town and city centres through our urban regeneration interventions (and very specifically for management of a portion of the River Lagan including the weir); for the heritage assets that we are custodians of and for guiding other owners of such assets; for helping to develop the necessary skills to tackle climate change and its impacts in ways that address employability and access to work.

OUR HEADLINE ADAPTATION ACTIONS FOR 2022-23 ARE:

- 18. Identify and create plans to embed key Green Growth skills in our employability programmes to support the development of necessary skills in a timely way and by means which address economic inactivity working in close collaboration with DfE to ensure alignment
- 19. Pilot integrated climate change risk and vulnerability assessments as

a key criterion for designing and implementing our urban regeneration interventions

OUR SUPPORTING ADAPTATION ACTIONS FOR 2022-23 ARE:

20. Ensure understanding of climate change hazards for our State Care Monuments by 31 March 2023, and explore site specific monitoring/ recording approaches in state care condition surveys to understand best practice methods

3.4 Resourcing the work

The Department's work in 2021-22 has provided us with insights as to the benefits and challenges of addressing climate change issues, and the resources required to do so. This has meant that we have already been able to include the necessary resources for a number of actions into our allocations to business areas for 2022-23.

The main area where we need to inject additional staffing, expertise and spend is in residential emissions, alongside bolstering our central coordination and leadership of climate change work. We will therefore put in place during 2022-23 (Action 9) a Climate Change Division in our Housing, Urban Regeneration and Local Government Group (HURLG) and begin to staff this up. We will progress this at pace, recognising that in the

short term this may require us to borrow staff from elsewhere as we progress the necessary recruitment.

Our estimated staffing needs for this coordinating and leadership role, including the residential property responses (Actions 1, 3, 4, 12, 15 and 16) is 20.5 full time equivalent staff, including 1 Director and 2.5 Grade 7s. This is a significant scale of investment, and will be subject to business case consideration and approvals, recognising the very high priority of this work. The Top Leadership Team and Departmental Management Board will ensure that a focus remains on this capacity-building. We will also require capital funding for some of the retrofitting work, and will work with DAERA and DfE to ensure alignment of this work and funding with their related plans.

There are also requirements – at lower levels – in other business areas. These appear to be at levels that can, for 2022-23, be managed through in-year funding and Agency staffing

 whilst recognising the need to secure ongoing capacity and expertise. The capacity requirements are estimated as 1 staff member in Regeneration, 4 in Historic Environment, and the support of DoF specialist staff in our Premises teams.

If we don't get this additional level of resource in place, it will curtail our ability to progress the actions set out. The Department has taken a view that we need to complete this work, and therefore provide the resources required to do so. We have therefore agreed the actions set out in this plan.

Even with this work achieved in 2022-23, we remain in the foothills of the response required to the profound impacts of climate change on all of us, not least the functions of the Department. The next section of this Plan therefore sets out the barriers and challenges that we will need to work to address in the coming years, building on the work of 2022-23.



4. Addressing barriers and challenges

Climate change is presenting all of us with profound challenges. The Department is no exception to this. The scale of the numbers is daunting and becoming more so. There are many dimensions to the challenges, and we will continue to explore these with a view to understanding and addressing them; they are embedded in this plan's headline and supporting actions.

The financial challenge is very large – it is estimated for instance that retrofitting the NIHE housing stock to attain SAP Band B will cost £2 billion. To achieve this across all of NI's housing stock is estimated to cost £9.2 billion. Projections are that this work needs to be completed in the next decade. The scale of the step change needed is akin to that of the housing challenges that faced NIHE when it was established 50 years ago. A range of financial approaches may be feasible to scale this challenge, but many of them have not been deployed before and certainly not on this scale. Investment funds may be available – for instance by use of savings held by banks, building societies and credit unions, and from regulated investments in local energy infrastructures; but this is likely to require robust modelling, confidence from investors and depositors, and legislative change. Without a collective

will and system-wide and geographically modelled approach, finding the funds needed will remain supremely challenging. And the housing challenge is but the largest of many challenges facing the Department in our approach to managing our activities and our duties. Doing this in a model of largely stand-still annual budgets is self-evidently doomed to fail. Funds such as that which the Department ran in 2021-22, and which DfE is running in 2022-23, are invaluable to progress pathfinder projects and test approaches, but do provide the funds needed for the overall required change.

The work we need to do to reach zero emissions in 2050 will rely in significant part on appropriate combinations of existing and developing technologies. This requires us to be flexible and innovative, adopting, testing and refining approaches before applying them at scale. We have to find ways to retrofit houses quickly, with as little physical upheaval as possible, but achieving this in ways that guarantee that we will not need a further round of retrofitting. We have to understand the technologies that may enable us to minimise the intervention needed to heritage assets to protect them from a changing climate. We will need fundamentally different approaches to the

materials and methods we use to regenerate our towns and cities and which assist in making them carbon-neutral places.

Closely linked to this is the skills and the resources that we will require, with a large increase in demand for many established building and technical skills and trades and new skills and retraining needed for emerging technologies. If we are unclear of the technology that we will be using, we cannot

be certain of the skills that we need to develop. The Department has a leading role in co-developing and delivering employability interventions through standalone labour market provision and within initiatives that include Labour Market Partnerships and the wider Levelling Up agenda. To do this effectively, we must collaborate with DfE and its lead on skills, and our local partners. There are significant opportunities for groups that are economically inactive, unemployed or



underemployed to develop new skills, and support the ambitions of the 10X strategy. However, with specific requirements and methods presently unclear, we will need to take measured risks.

Our policies, and the associated legislation, will need to adapt to - and indeed be shaped by – the climate challenge. What standards of space planning and construction are needed to be compatible with zero emissions for heating homes? Are we will willing to sacrifice other elements of the social housing specification to ensure that we fully address climate issues? How will we balance the central importance of heritage assets in creating authentic places which people want to live in, work in, visit and invest in, against the interventions that may be required for society to become carbon neutral? How will we reshape our regeneration interventions to have carbon reduction at their core, and help reshape societal expectations in this regard? What requirements is it reasonable to place on recipients of our grants, so that carbon neutrality becomes the way things are done? And what do the transition pathways look like, so that we embrace the hard to reach, and assist those who need the capacity to adapt to these changes, elements which are fundamental to a Just Transition and

heightened by the cost of living crisis? Each of these issues is challenging. Together, they resemble a wicked problem that will need time, intellectual focus and co-design to address.

The operational challenges are also very significant, including the question of how we adapt our historic places in ways which do not unduly temper their heritage value. How we retrofit homes in a joined up way when we have a mix of tenures and ability to pay down so many of our streets and across so many of our estates. What action we need to take in our management of rising sea levels, flooding or storm events? How do City Deal projects need to adapt to be sustainable during and beyond construction phases?

We will need to connect, learn, share and challenge in every direction, every day. All of which requires bandwidth that has become so challenging in our lives and in our jobs. Fundamental change of this scale, and against the backdrop of this quantum of challenge, is unlike anything we have tackled before in our careers. There will be resistance. There will be false starts and dead ends. But we cannot fail, and therefore have to plot a way through.



5. Organisational arrangements

We have much we need to achieve, and time is of the essence. We have therefore explored our organisational arrangements to ensure that they can support our work as effectively as possible.

We have concluded that our Climate Change Working Group is a very valuable central forum to share and develop our advancing understanding of the issues, challenges and opportunities, and we will continue the Working Group. We will ensure that its agenda is focused on the key challenges and opportunities that we face, and those which cut across multiple business areas. We will consider adding some more ALBs to its membership, with a focus on those which are facing significant climate change issues, or are significant carbon emitters. For our other ALBs, we will ensure that they are kept informed of relevant insights, and can be a part of the staff awareness work, through standing items on the ALB Chairs Forum and Accountability meetings.

We recognise the need to increase the staff capacity and skills that we apply to climate change issues, and to access a very wide range of external expertise, if we are to meet our statutory duty and the expectations that others have for us to lead. We will therefore agree how best to increase

our capacity and skills, and embed the requirements in our corporate approach to resourcing, so that the necessary scale and speed of activity can be realised.

We will continue to engage with district councils, in particular through our SOLACE connections, to ensure effective two-way communication between the Department, our ALBs and Councils, and through this ensure that our regulatory and legislative connections with Councils fully embed climate change issues.

In all of this, we will draw on the centre of expertise available in the Ministerial Advisory Group (MAG) for Architecture and the Built Environment, for which climate change is a key priority. Following the delivery of MAG's Climate Change Action Plan 2021-22, MAG will take forward the development of a next stage plan that will seek to undertake actions within its remit to support mitigation and adaptation across the built environment.

We will continue to monitor our progress via regular reporting against the actions in this Action Plan, including through biannual reports to the Departmental Management Board.



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