



# **Infrastructure 2050: Draft Investment Strategy Consultation**

THE CONSUMER COUNCIL RESPONSE

April 2022

**QUESTION 1. What sector do you belong to? / What is your area of interest?**

Non-departmental public body

**QUESTION 2. Do you agree with our vision for infrastructure? If not, what would you change?**

The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (Northern Ireland) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland. The Consumer Council has specific statutory duties in relation to energy, postal services, transport, and water and sewerage.

The Consumer Council agrees with and supports the vision for infrastructure.

We note that it is an inclusive vision with the aim of enabling everyone to lead a healthy, productive and fulfilling life. The Consumer Council has a statutory duty to have regard to all consumers and, across all our areas of work, we pay particular regard to consumers:

- who are disabled or chronically sick;
- who are of pensionable age;
- who are on low incomes; and
- who live in rural areas.

It is important that throughout its life the strategy specifically addresses the needs and considers the views of all consumers and has a particular regard to those groups listed above.

**QUESTION 3. Do you agree with our assessment of the challenges that we will face with our infrastructure over the next 30 years? If you disagree, why? And what do you think are the challenges and why?**

We recognise and agree with the assessment of the challenges facing infrastructure over the next 30 years.

We would add that the strategy should consider the economic and social challenges that consumers will face over the next 30 years. The current cost of living crisis is an acute reminder of the financial challenges facing consumers, but for many consumers living under severe financial pressure is not new and is likely to be an ongoing situation. This is particularly the case with vulnerable and disabled consumers who may face challenges in accessing services as well as financial pressures.

Therefore an additional challenge to be faced is to ensure that the way in which infrastructure is designed, delivered and paid for is done in a way that is fair to all consumers.

Over the previous 30 years developments in infrastructure, for example in energy with the introduction of a gas network, and in digital services, has raised consumer expectations. It will be an additional challenge over the next 30 years to meet and manage consumer expectations.

To meet the challenges outlined, the investment strategy should encourage a whole systems approach to infrastructure investment planning and delivery. As an example, within the energy

sector, a whole system approach to investment planning implies encouraging all the industry players (regulated companies, regulators and government) to consider the wider impacts of their decisions, rather than only considering the direct and localised impacts. Whole system approaches recognise the interaction between traditionally separately planned industries (for example electricity, gas, liquid fuels, renewables etc.) and how a whole system approach to planning can optimise the use of energy sources and best contribute to delivering the overall energy objectives of our society. Whole system thinking can enable the lowest cost pathway to be identified, making use of each resource or technology. It is more challenging than traditional approaches as it requires more complex thinking and multiple parties, however the improvements in cost and reliability pay back the investment and generate real benefits for consumers and society.

We acknowledge and welcome the engagement that has already taken place with stakeholder organisations and encourage the continuation of this engagement throughout the development and lifetime of the strategy, while also deepening the use of consumer insights into strategic planning through consumer engagement and deliberative decision-making. Such in depth engagement with consumers and stakeholders provides the best means to address the challenges that we will face with our infrastructure while also enabling everyone to lead a healthy, productive and fulfilling life.

**QUESTION 4. Do you agree that these five key investment objectives address the challenges? If not, what would you consider to be the key investment objectives?**

We agree that the five key investment objectives address the challenges outlined in the consultation. We reiterate the need to ensure that the way in which infrastructure is designed, delivered and paid for is done in a way that is fair to all consumers. The use of consumer engagement to develop insights that can lead strategic planning and operational roll-out of infrastructure investments will be key to delivering on each of the five key investment objectives.

**QUESTION 5 Are these the investment priority areas we need to focus on to decarbonise our economy and society? If not, what are the investment priority areas that will help decarbonise our economy?**

We agree that the focus should be on the investment priority areas identified. We would add the following points that need to be taken into consideration as the strategy moves forward:

- Northern Ireland will fail to reach net zero if the investment decisions are unaffordable for domestic and business consumers. It is consumers who will ultimately pay for the energy transition through utility bills, taxes or upfront investments.
- In order to decarbonise the transport sector there will need to be both investment in physical infrastructure such as cycle lanes, bus lanes, pedestrianised areas and EV charging stations as well as in digital information, fare charging and locational tracking systems that will support an integrated transport system.
- The government needs to prioritise mechanisms that reduce risk to companies and consumers from innovation and infrastructural investment uncertainty.
- A circular economy will require a collaborative approach between central government, local councils, the private sector and third sector. The Consumer Council would welcome the opportunity to become involved in this collaboration.

- Prioritisation is also important when it comes to infrastructural investment and forward planning to avoid duplication and overlaps in costs.
- The drive to building more sustainable homes must be backed with improved building regulations around energy and water efficiency for new build homes.
- Infrastructure investment will most successfully meet societal needs if the public is engaged in the strategic development process.

**QUESTION 6. Are these the priority areas we need to focus on to strengthen our essential services? If not, what do you think are the investment priorities that will strengthen our essential services?**

The Consumer Council has a remit which covers energy, transport and water services. In respect of these sectors we make the following points:

- We agree that an immediate priority is investment in our wastewater network, but investment is also required to deliver the programme determined through the PC21 Price Control, which should be fully funded. The strategic investment priority should be amended to reflect the need for investment in both water and wastewater networks.
- The energy transition to net zero will create significant uncertainty regarding infrastructure investment but the current energy crisis serves as a reminder that energy provision, and the secure supply of energy, is an essential service. As much of the responsibility for making appropriate investments will fall to the energy industry it is essential that care is taken to ensure that the Infrastructure Strategy aligns with the Department for the Economy Energy Strategy and its operational rollout.
- Public Transport is also an essential service in Northern Ireland and investment in its infrastructure must be adequate.

**QUESTION 7. Are these the investment priority areas we need to focus on to enhance our communities and places? If not, what do you think are the investment priorities that will enhance our communities and places?**

According to DAERA, some 37% of the population of Northern Ireland live in rural areas.

This will restrict the viability of less carbon intensive energy supply options such as district heating, while the electrification of heating in rural areas may necessitate investment in the electricity grid to cope with the resultant increase in demand. Furthermore, whilst we agree with and support the focus on sustainable and active travel these options are often unrealistic to serve the daily needs of rural dwellers.

For these reasons the perspective of rural dwellers requires specific consideration.

We would also emphasise that investment in physical infrastructure within communities and places must consider the accessibility needs of disabled people and people with reduced mobility.

Regarding the building of high quality sustainable housing we reiterate that this needs to be underpinned by improved building regulations on energy and water efficiency.

**QUESTION 8. Are these the investment priority areas we need to focus on to build a strong, competitive and connected region? If not, what do you think are the investment priorities that will help build a strong, competitive and connected region?**

We agree that there should be a focus on improving connectivity by continuing to invest and strengthen our strategic and public transport networks. We note the importance of the All-Island Strategic Rail Review as a means to consider infrastructure improvement and expansion that will boost competitiveness while also tackling the challenge of decarbonisation. However, the need to focus on rural transport is borne out in our research<sup>1</sup> which shows that the low frequency of public transport services means it is not a viable or convenient option for many rural dwellers to depend on. Closer transport links were suggested by rural respondents as ways to increase their public transport usage. Therefore we welcome the commitment to investing in our bus network and developing multi-modal hubs will help create a more connected and accessible sustainable public transport network.

**QUESTION 9. Are these the investment priority areas we need to focus on to maximise the benefits from emerging technologies? If not, what do you think are the investment priorities that will maximise benefits from emerging technologies?**

As momentum builds towards net zero and the development of a green economy, it is essential that consumer protection frameworks remain fit for purpose and adapt to emerging technologies. It may be necessary to review existing protections to ensure consumers are protected and can have confidence to engage with new technologies.

Consumers should not be exposed to additional risk or detriment through the transition to new technologies in the move to a green economy. In energy, the mass adoption of low carbon technologies is essential to reduce carbon emissions but will not be straightforward for the consumer. For example, the installation of new heating technologies will necessitate disruption to some, if not all, consumers in their homes. It must not be the case that those who have the capacity to adapt to and adopt new technology reap the cost and lifestyle benefits, while others, such as consumers in vulnerable circumstances, are left to languish on inefficient outdated technology, struggle to adapt to new technologies, or are left to pick up infrastructural costs.

The opportunities of digitalisation are broad. We must ensure that with increased digitisation of services consumers who do not have, or cannot afford, access to digital services are not excluded.

**QUESTION 10. How should we prioritise between maintaining or upgrading existing assets and new aspirations?**

We support the approach to develop a balanced investment plan that recognises the funding needs of both new and existing infrastructure. It is essential that investment is sustainable and equitable and that alongside investment in new infrastructure, the budget for existing infrastructure maintenance is provided.

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<sup>1</sup> Northern Ireland Consumer Attitudes to Energy Transition Issues, March 2021.

We support the development of a rolling 10 year Executive Infrastructure Plan. Priorities should be based on need that has been identified through research and data. In this regard we emphasise the need for enhanced engagement with consumers to ensure that their needs are reflected in investment priorities.

We reiterate that a whole system approach to planning can help prioritise between maintaining or upgrading existing assets and new aspirations.

**QUESTION 11. How should we communicate with consultees on projects that present affordability challenges, and thus may require alternative funding and financing to be utilised?**

Affordability, fairness and sustainability will be key considerations in infrastructure policy and decision-making over the next 30 years. This will necessitate in-depth consideration of the cost impact when introducing new policy initiatives, projects and interventions and technologies, to ensure they do not result in an unfair or disproportionate financial burden on consumers as a whole, specific groups, or consumers in vulnerable circumstances. For this reason, the Consumer Council recommends developing a comprehensive and rolling annual programme of consumer engagement to facilitate the development of legislation, regulation and investment policy decisions that best serve consumer needs.

High quality consumer information and data are essential to the operational delivery of this strategy and without specifically prioritising consumer research and engagement in this manner there is a risk that consumers' needs, habits and priorities are not adequately understood.

There are various opportunities and methods for consumer and community participation in investment planning. This has been built in successfully to utility investment planning and price control processes. Similar approaches could be used for wider investment planning, helped by the adoption of whole system approaches to planning, costing and the evidencing of benefits.

**QUESTION 12. Do you agree with the proposed prioritisation criteria? If no, then what changes would you suggest?**

The prioritisation questions included cover the main areas of consideration and we support the intention to ensure investment is sustainable and equitable.

We would add that if investment in infrastructure will result in increased service costs to consumers, consideration should be given as to whether consumers understand and support the need for the investment, and whether they can afford to pay for it.

As an issue of process and to be publicly accountable, it should be made clear how the criteria will be 'scored' against, or what weighting will be placed against each criteria.

**QUESTION 13. What level of engagement should we have with consultees on project milestones and delivery progress once a project has been programmed for delivery?**

We reiterate the point we made in response to question 10 that there should be a comprehensive and rolling annual programme of consumer engagement. Updates on progress of the strategy should be provided on an annual basis to elected representatives and through public events and the media.

Specific area plans should ensure that community involvement is built into the development of local infrastructure investment plans. We are a member of the Regional Community Resilience Group (RCRG)<sup>[1]</sup> which works directly with households and communities at flood risk to lower that risk and help prepare household and flood action plans. As a member of RCRG, we have witnessed first-hand the benefits that can be delivered through direct community involvement and participation in water management schemes. We would encourage incorporation of this approach as specific plans are developed for delivery.

**QUESTION 14. Do you agree that the proposals we have set out will adequately measure progress and impact? If no, then how should we measure progress and impact?**

The proposals, if implemented effectively, would appear to provide an adequate measure of progress and impact at a high level. It will be necessary to devise a more detailed process as the strategy is implemented.

**QUESTION 15. Do you agree that the proposed accountability and oversight structures will support successful delivery? If no, then what other proposals should we consider?**

The Consumer Council agrees that a Northern Ireland specific infrastructure strategy that sets an overarching, long-term plan for society, the economy and the environment is required. The strategic document acknowledges that successful delivery of the strategy will require co-ordinating and overseeing the activity of the public and private sectors. The document is not clear about the structures that will be put in place to achieve this and we encourage this to be addressed.

Good governance and a coordinated approach to infrastructure planning across all levels of central and local Government will ensure optimal outcomes and reduce the risk of consumer detriment.

Such good governance and coordination will help engender public trust in investment planning. Public trust can also be engendered via appropriate engagement, as we have outlined in answer to Question 10. If an Infrastructure Commission is established it is essential that consumers / citizens are represented at that strategic level of infrastructure planning. Consumer / citizen representation on the Commission would provide another means to engender public trust in the infrastructure development process and to ensure we have the infrastructure that enables everyone to lead a healthy, productive and fulfilling life.

**QUESTION 16. Do you agree with the process and the findings of the draft EQIA and Rural Needs Impact Assessment (RNIA)? If no, then please explain why.**

The draft EQIA notes that it would appear appropriate for the Department for Infrastructure, Translink, IMTAC and the ECNI to consider commissioning research on transport related inequalities and how those inequalities relate to proposed transport developments. This research should also be

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<sup>[1]</sup> The RCRG was established in 2013 and provides a mechanism to bring together partner organisations who can develop and establish a Community Resilience Programme across Northern Ireland. It is a multi-agency group with the vision to develop consistent approaches to community engagement and development of Community Resilience activities across Northern Ireland.

used to inform the reporting and monitoring framework for ISNI's transport-related components. We agree with this and would welcome and encourage this research.

**QUESTION 17. Are there any other issues or inequalities that have not been highlighted in the draft EQIA or RNIA that you believe need to be noted? If yes, then please explain what they are.**

No.

**QUESTION 18. Are there any other comments or suggestions that you think are relevant to help us develop and deliver the Investment Strategy?**

No.

#### **CONTACT DETAILS**

If you require more information please contact Richard Williams, Head of Policy (Transport) on 028 9025 1649 or at [Richard.williams@consumercouncil.org.uk](mailto:Richard.williams@consumercouncil.org.uk).





## The Consumer Council

Seatem House, Floor 3  
28 - 32 Alfred Street  
Belfast, BT2 8EN

T: 028 9025 1600  
F: 028 9025 1663  
E: [info@consumercouncil.org.uk](mailto:info@consumercouncil.org.uk)  
W: [www.consumercouncil.org.uk](http://www.consumercouncil.org.uk)