

City Growth and Regeneration Committee

Wednesday, 27th May, 2026

SPECIAL MEETING OF THE CITY GROWTH AND REGENERATION COMMITTEE

Members present: Councillor I. McLaughlin (Chairperson);
Alderman Lawlor; and
Councillors Black, Bunting, de Faoite,
S. Douglas, Duffy, Groogan, Hanvey,
Lyons, McCabe, McCallin, McCormick,
McDonough-Brown, McKay, R. McLaughlin,
Meenehan, Nelson and Ó Néill.

In attendance: Mrs. C. Reynolds, Director of City Regeneration and
Development;
Ms. P. Conway, Development Manager, City Centre
Regeneration; and
Mr. C. Mealey, Committee Services Officer.

Apologies

An apology for inability to attend was received from Councillor McAteer.

Declarations of Interest

There were no declarations of interest.

Restricted Items

The information contained in the report associated with the following item is restricted in accordance with Part 1 of Schedule 6 of the Local Government Act (Northern Ireland) 2014.

Resolved – That the Committee agrees to exclude the members of the press and public from the meeting during discussion of the following item as, due to the nature of the items, there would be a disclosure of exempt information as described in Section 42(4) and Schedule 6 of the Local Government Act (Northern Ireland) 2014.

Members were also reminded that the content of 'restricted' reports and any discussion which took place during closed session must be treated as 'confidential information' and that no such information should be disclosed to the public as per Paragraph 4.15 of the Code of Conduct.

Presentation

Department for Communities and Northern Ireland Housing Executive - Housing Association Grant (HAG)

The Director of City Regeneration and Development reminded the Committee that, at its meeting in November, 2025, it had agreed to invite the Minister for Communities and the Northern Ireland Housing Executive (NIHE) to attend a future meeting to discuss

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the rationale for changes to the Housing Association Grant (HAG) and Total Cost Indicators (TCI) for the delivery of new social housing, which had been announced by the Minister in October, 2025. Accordingly, the Director advised that officials from the Department for Communities (DfC) and the NIHE were in attendance to outline the rationale for the changes and the potential impact on social housing delivery within the city.

The Director also reminded the Committee that, following its request in November, 2025, for a comprehensive assessment of the changes, work had been undertaken by the Ulster University Economic Policy Centre (UUEPC) to analyse the impact of the changes. She advised that the UUEPC analysis was currently being finalised and it was intended that it would be submitted to the Committee's meeting in June. She provided a brief overview of the draft analysis report's key points. The Director advised that the NIHE was leading a Subsidy Review by DfC and that it was proposed that the UUEPC analysis be forwarded to the NIHE by the end of May, as requested by the NIHE. It was reported that the analysis would help inform DfC's review and ensure that the city's unique delivery context was reflected. She advised the Committee that a Members' workshop would be held, as previously agreed, with the Northern Ireland Federation of Housing Associations (NIFHA) and the relevant Housing Associations to consider the UUEPC analysis and help understand the challenges which face the sector and what DfC's Subsidy Review should address. She suggested that, following the Members' workshop and the completion of DfC's Subsidy Review, the Committee might wish to consider inviting officials to attend a future meeting to present the findings of the review.

The Chairperson welcomed to the meeting Mr. David Polley, Director of Housing Supply Policy (DfC), Mr. Paul Price, Deputy Secretary, Housing and Sustainability Group (DfC), and Ms. Lysay Magill, Head of Development Services, Land and Regeneration (NIHE).

Mr. Price provided the Committee with background information on how the Department worked with partners to deliver the Social Housing Development Programme (SHDP), which was used by the Department to inform social housing funding investment decisions.

Mr. Price reminded the Committee that, in October, 2025, the Minister had announced a number of changes to increase the delivery of new social homes across Northern Ireland. He explained that the grant paid to support social housing development was determined by two complex calculations, namely, the Total Cost Indicators (TCI), which was the assumed cost of building a new social home, and the Housing Association Grant (HAG) rate, which was the contribution made by the Department to Housing Associations for new social housing. He advised that, as part of the changes, the TCI benchmark costs had increased on average to take account of changes to construction costs, inflation, rent levels and interest rates. In respect of the HAG associated with the development of new social housing, it was reported that it had reduced on average from 54.2 percent of the total cost to 46.5 percent. Mr. Price provided the Committee with further information in relation to the impact of the TCI and HAG rates in respect of Belfast.

Mr. Price outlined that, in order to achieve the Minister's aim of delivering more social homes across Northern Ireland, the methodology supported the decision to update the TCI and HAG rates to ensure better value for money and assist in the delivery of more social homes from the budget available.

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It was reported that, in recognition of the challenges facing the Housing Associations, the changes would govern the Department's support for social housing new build from 1st December, 2025 until the end of the 2026/27 financial year to provide certainty and stability. Mr. Price also reported that the Minister had announced a Subsidy Review to look at how the grant funding system was being operated, and a Design Standards Review which would look at the minimum quality standard of social homes. Mr. Price stated that both reviews aimed to help Housing Associations to deliver as much social housing as possible per pound of grant.

During discussion, several Members highlighted the significant level of housing need within Belfast and the potential implications of the HAG rate change on the delivery of social housing in the city. The Members also highlighted the need for a bespoke TCI and HAG rate for the city centre which would take into account and help address issues such as the higher costs associated with land, development constraints, engineering and logistical issues, and which would also help support efforts to meet the city's exceptionally high level of housing need.

The officials from DfC and the NIHE answered a range of Members' questions in relation to the rationale for the changes, the significant housing need within the city and the potential impact that the changes would have on social housing delivery across the city, the engagement which had taken place in advance of the Minister's announcement, the viability gap in social housing, design standards for social homes, and the potential impact on Housing Association rents.

In response to Members' questions in relation to DfC's Development Standards Review and the potential impact on the quality of social homes, the officials stated that the aim of the review was not to reduce standards but to take on board feedback from the Housing Associations and tenants to deliver better social housing for the best value. The DfC officials advised that the Terms of Reference for both the Development Standards Review and the Subsidy Review would be sent to the Committee for its information.

In response to a Member's question regarding engagement with the Housing Associations and the methodology which informed the decision to reduce the HAG rate, officials advised that, in advance of the Minister's announcement, the Department and NIHE had engaged with the Housing Associations and that a presentation from DfC and NIHE which outlined the methodology and how the HAG rate was determined, would be shared with the Committee for its information.

A Member also requested that, following the completion of the Subsidy Review, officials attend a meeting of the Committee to present its findings.

The Chairperson thanked the officials for attending and they left the meeting.

During further discussion, the Committee agreed that the independent analysis which had been undertaken by the UUEPC, and which was currently being finalised, would be submitted to the NIHE, as lead for DfC's Subsidy Review, by the end of May, 2026. The Director advised that the analysis report would be submitted to the Committee's next meeting in June, 2026, and would also form the basis of the proposed Members' workshop which had been previously agreed by the Committee.

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After discussion, the Committee:

- i. noted the information which has been provided by the DfC and NIHE officials and that, where relevant, further information would be provided on the issues raised;
- ii. noted that the UUEPC analysis was currently being finalised and would undergo internal review before being submitted to its next meeting in June, 2026;
- iii. agreed that the UUEPC analysis would be submitted to the NIHE by 29th May, 2026, and that it would form a key evidence base for DfC's Subsidy Review, which was scheduled to be completed by October, 2026;
- iv. noted the wider programme of engagement which would lead up to DfC's Subsidy Review, including a workshop for Members to understand the challenges which face the sector and what the Subsidy Review should address; and
- v. noted that following the Council's request to DfC for further detail on the TCI and HAG rates to inform the UUEPC review, DfC had confirmed that the information was currently only available to the housing sector and would not be available externally.

Standing Order 14 - Submission of Minutes

The Committee agreed that, in accordance with Standing Order 14, as the meeting had been held later than seven clear days before the meeting of the Council, the minutes of the meeting would be submitted to the Council on 1st June, 2026, for ratification.

Chairperson