

CIOB Consultation Response: Northern Ireland Draft Budget 2026–2029/30

Introduction

The Chartered Institute of Building is the world's largest and most influential professional body for construction management and leadership across the built environment. We have a Royal Charter to promote the science and practice of building and construction for the benefit of society, and we've been doing that since 1834. Our members work worldwide, and across the island of Ireland in the development, conservation and improvement of the built environment. We accredit university degrees, educational courses and training in universities and colleges in Ireland. Our professional and vocational qualifications are a mark of the highest levels of competence and professionalism, providing assurance to clients and other professionals procuring built assets. The CIOB also has a dedicated policy and research function, whose expertise we have drawn on in the preparation of this response. To ensure that we captured the breadth of views from thousands of CIOB members across Ireland, our members have also been consulted in the preparation of this response.

1. Do you agree with the prioritisation of funding within the 2026-2029/30 draft Budget?

Yes

The CIOB fundamentally agrees with the move toward a multi-year budgetary framework. For too long, the construction sector in Northern Ireland has been hamstrung by perpetual volatility—a cycle of stop-start funding that discourages Small and Medium Enterprises (SMEs) from making the long-term capital investments necessary for growth.

By shifting to a three-year Resource and four-year Capital DEL cycle, the Executive is finally providing the pipeline of certainty that our members require. This stability allows firms to plan recruitment, invest in Modern Methods of Construction (MMC), and commit to R&D without the fear that a sudden annual budget cut will render those investments obsolete. While we acknowledge the "extremely constrained" financial envelope

mentioned by the Minister, the strategic shift toward long-term planning is a vital prerequisite for a resilient built environment.

2. What services should be prioritised in the 2026-2029/30 Budget?

Priority: Strategic Infrastructure and Housing Activation

If Northern Ireland is to meet its Programme for Government (PfG) commitments, the budget must prioritise the "unblocking" of our delivery systems. We identify three critical pillars for prioritisation:

- **Wastewater and Utility Capacity:** Current independent analysis suggests a £2.0bn capital funding gap in wastewater infrastructure. This is not merely a utility issue; it is a "roadblock to growth" that is currently preventing the delivery of over 6,000 homes. Without prioritizing the expansion of NI Water's capacity, any capital allocated to housing will remain "trapped" behind development moratoria.
- **Housing as a Catalyst:** Housing must be viewed as the foundation of economic well-being. We urge the Executive to move beyond demand-side measures (which can be inflationary) and instead prioritise "upstream" interventions. This includes the activation of land and the provision of enabling infrastructure that allows both social and private housing projects to break ground.
- **The Skills Ecosystem:** With nearly 10% of 18-24 year olds in Northern Ireland not in education or employment, there is a clear opportunity to align social need with economic demand. Budgetary priority should be given to strengthening construction-specific careers advice and apprenticeship pathways, ensuring we don't lose another generation of talent to emigration or other sectors.

3. Are there services that no longer need to be delivered or can be reduced in 2026-2029/30?

CIOB advocates for a quality over quantity approach to public service delivery. We believe there is significant room to reduce administrative friction within the current system.

Specifically:

- **Fragmented Procurement:** We recommend a reduction in the number of bespoke, department-specific procurement frameworks. These often create a high administrative burden for SMEs. By moving toward a more unified, social-value-led procurement service, the Executive can achieve better economies of scale and more consistent quality outcomes.
- **Shift from Reactive to Proactive Maintenance:** We suggest a reduction in "reactive" emergency repair budgets in favour of Planned Preventative Maintenance (PPM). While this requires a larger upfront commitment, our research shows it significantly reduces long-term costs and extends the lifecycle of public assets like schools and hospitals.

4. Should further opportunities for full cost recovery be explored?

Yes, but with careful strategic targeting. CIOB believes that Financial Transactions Capital (FTC) represents a major under-utilised tool. Rather than simple grants, the Executive should explore revolving investment models where public funds are used as low-interest loans to unlock private developments.

- **Infrastructure Levies:** We note the industry-wide calls for a modest, progressive Infrastructure Levy (approximately £1.25 per week for an average household). If framed correctly, and appropriately ringfenced, such a mechanism could provide a dedicated stream for wastewater investment, ensuring that the cost of growth is recovered and reinvested back into the systems that make development possible. The Community Infrastructure Levy (CIL) in England provides a potential framework here.
- **Land Value Capture:** We encourage the Department to explore how "locational value" can be used to fund the very infrastructure that creates that value. Recovering costs from land value increases can provide a sustainable, long-term funding stream that reduces the burden on the Block Grant.

5. Have you any other views?

Finally, the CIOB wishes to highlight the importance of transparency in the pipeline. A budget is only as good as the projects it delivers. We urge the Executive to publish a

detailed Northern Ireland Infrastructure Pipeline alongside the final budget.

Knowing that billions are allocated to "Capital DEL" is helpful, but knowing exactly *when* specific projects in Derry/Londonderry, Belfast, or Fermanagh will go to tender is what allows a local contractor to hire an apprentice today. We must ensure that this budget doesn't just "fund" services, but "builds" a more productive, sustainable, and professional construction industry for the next decade.