



Chartered  
Institute of  
Housing  
Northern Ireland



Mr Colum Boyle  
DFC Permanent Secretary

Sent by email: 09/06/2023

Date 09/06/2023

**Re: DFC Budget 2023-24 Equality Impact Assessment**

Dear Colum,

We are writing to you collectively to outline our deep concern about the proposed cuts to the budget for the Department for Communities outlined in the proposed budget for 2023/4.

As leaders of organisations with significant membership including housing associations, homelessness service providers, advice agencies and housing professionals it remains our strong belief that the proposed budget reductions will be deeply damaging to some of the most vulnerable people living in this society. The proposed budget will set back progression of the NI Executive's aim to promote wellbeing and will severely undercut the Department for Communities own strategic objectives.

We fundamentally do not believe that the proposed budget allocation for the Department of Communities is sufficient for the needs of the Department. The allocation to the Department will have the effect of pitching vulnerable groups against one other in a battle for funding.

There are several areas of concern we wish to address as a matter of urgency.

**Capital Budget**

We note with concern the 3.9% cut in the Department's Capital allocation and acknowledge that, alongside the Department's duty to provide new-build social housing and construction industry inflation of 26%, that this represents a shortfall of £59m (27.3%) against the £275.1m required.

*Impact on the supply of social housing*

The stated impact of the reductions means a cut to the number of new Social Housing Units being built by 600 units. This will mean a reduced target of 1400 units instead of the 2000 units. The five-year projected need for new social homes in Northern Ireland for the period

2022-27 is 23,557<sup>1</sup>. This reduction in new builds will have a detrimental effect on meeting that target.

Reducing housing supply has implications for people in housing need, the pressure this creates in other areas of the housing market and the impact that reduced housebuilding has on the economy.

### *Implications for people in housing need*

This proposal will undercut efforts to address the social housing waiting list, which as of March 31 2023 stood at 45,105 households with 72% of those applicants deemed to be in housing stress<sup>2</sup>. The number of households with homelessness status on the social housing waiting list has increased by 159% since 2013 and it seems highly likely that the numbers will only continue to increase without greater housing supply.<sup>3</sup>

This number does not remain static. The cumulative effect of the cost-of-living crisis and proposed budget reductions elsewhere in public services (including the reduction in the Discretionary Support budget) will see an increase in the number of homeless presentations.

**It is essential that the Department strengthen, not weaken, efforts to prevent homelessness and sustain tenancies, by ensuring access to housing advice services, financial and other support to sustain tenancies. Failure to do so will have a human and financial cost to society with conservative estimates of the cost of each case of homelessness estimated to range from £4,972 to £36,119 each year.<sup>4</sup>**

The effect of unaddressed demand for social housing forces many people into other areas of the housing market. This will mean prolonged stays in temporary accommodation (TA) for others they will need to rent privately. Both these instances, create immediate and unsustainable pressures on public finances and resources.

In the private rented sector in Northern Ireland, 48% (58,000) of all private renters rely on housing benefits to pay their rent with 83% experiencing a shortfall between their benefits and the amount of rent they pay. Local Housing Allowance is currently frozen, rental prices in Northern Ireland have risen by 9.9%<sup>5</sup>, all during a relentless cost of living crisis. Tenants in the PRS are facing mounting affordability problems. The Department's Independent Advisory Panel's Review of Welfare Mitigations acknowledged this and recommended the adoption of a Financial Inclusion Service with associated grant to assist low-income private renters<sup>6</sup>. However, we note that despite the Panel's report, the 2023-24 budget allocations do not

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<sup>1</sup> [Commissioning Prospectus \(nihe.gov.uk\)](https://www.nihe.gov.uk)

<sup>2</sup> <https://www.nihe.gov.uk/getattachment/2b78d534-0855-4af8-b8a2-bc6ba3afce35/Commissioning-Prospectus.pdf> <https://www.communities-ni.gov.uk/system/files/publications/communities/ni-housing-bulletin-jan-mar23.pdf>

<sup>3</sup> In March 2013, the social housing waiting list stood at 41,356 households. 9,878 of those households were deemed to have homelessness status (i.e. are full duty applicants under the Housing (NI) Order), 24% of the total. A decade on, the social housing waiting list stands at 44,519 households. However, the number of households with homelessness status has risen to 25,613 households, 57.5% of the total. So while the number of households on the list has only grown by 3,163 (7.6%) in the last decade, the number of households with homelessness status on the list has grown by 15,735 (159%).

<sup>4</sup> Calculating the cost of homelessness in Northern Ireland - Fiona Boyle Associates. Research commissioned by Housing Rights

<sup>5</sup> [Index of Private Housing Rental Prices, UK - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk)

<sup>6</sup> [Welfare Mitigations Review \(communities-ni.gov.uk\)](https://www.communities-ni.gov.uk)

include any provision to progress the recommendations in this review for new welfare mitigations.

More households are being forced into homelessness and temporary accommodation by failing to address the waiting list, compounded by these increasing costs. This will place further pressure on statutory services and the public purse.

**In 2022, there were 10,028 TA placements in Northern Ireland. This represented a 13.8% increase on the number recorded in 2020.<sup>7</sup> The number of households in temporary accommodation has exploded since the advent of Covid-19, rising from 2,065 in January 2019 to 3,945 in January 2023, an increase of 91%. In 2021/2, NIHE spent £17 million on provision of temporary accommodation compared to £7.5 million in 2019/20.<sup>8</sup> The numbers in temporary accommodation have continued to rise so in all likelihood the cost recorded in 2022/3 may have been even higher than the year before.** This level of increase is unsustainable in terms of capacity and will place significant knock-on costs to the public purse through maintaining current Temporary Accommodation and obtaining new accommodation to meet fast-growing demand.

### *Impact on the economy*

NIFHA research has shown that investment in social housing has a **multiplier impact of more than £1bn each year on Northern Ireland**. The housing association sector in Northern Ireland has had another significant year of growth, both in terms of new homes built but also in terms of the impact that the sector has on the broader economy through development spend, maintenance spend and local employment.<sup>9</sup>

While we acknowledge that any surplus Capital DEL which emerges will be allocated to social housing, the dire circumstances as laid out by the EQIA make this scenario unlikely. We therefore ask the Department to work proactively with housing providers to maximise new build social housing developments as a priority.

### **Resource DEL Non Ring-Fenced Budget**

We note that a 1.9% cut arising from the Northern Ireland Budget, combined with an additional £97.9m of additional resource requirements amounts to a funding gap of £111.2m (15.5%) and that this will result in a 'significant and adverse impact on the Department's ability to deliver public services in 2023-24.'

### *Supporting People Programme*

We are deeply concerned about the possibility of a cut being imposed to the Supporting People programme (SPP). We are disappointed to hear that once again a request for an uplift to the SPP has been turned down. The value of the programme was frozen between 2007 and 2022, with its value eroding year on year due to the impact of inflation. While in 2022/3 a 5.8% uplift was made to the programme, this did not make up for the erosion of the value of the fund over those fifteen years.

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<sup>7</sup> [Ending Homelessness Together Homelessness Strategy 2022-27 \(nihe.gov.uk\)](https://www.nihe.gov.uk/getattachment/17f5772b-f048-48aa-b3ea-8fd5de6b7fb1/Annual-Report-2021-22.pdf)

<sup>8</sup> See Northern Ireland Housing Executive, "Annual Report 2021/2", September 2022, <https://www.nihe.gov.uk/getattachment/17f5772b-f048-48aa-b3ea-8fd5de6b7fb1/Annual-Report-2021-22.pdf> 43 and Northern Ireland Housing Executive, "Annual Report 2019/20," October 2020, [https://www.nihe.gov.uk/getattachment/2c78e7aa-38f9-48df-9e58-d30805e5225b/2019\\_2020-annual-report.pdf](https://www.nihe.gov.uk/getattachment/2c78e7aa-38f9-48df-9e58-d30805e5225b/2019_2020-annual-report.pdf) 50.

<sup>9</sup> [NIFHA-Sector-Global-Accounts-2022-Final.pdf](https://www.nifha.gov.uk/getattachment/2c78e7aa-38f9-48df-9e58-d30805e5225b/2019_2020-annual-report.pdf)

**The SP programme funds almost two thirds of the of homeless services**<sup>10</sup> and underpins vital supported housing services for around **20,000 vulnerable people** in Northern Ireland. It allows them to live independently and helps prevent hospitalisation, homelessness or premature admission to residential or nursing care.

SP is vital for supporting older people, those with physical and learning disabilities and in preventing/addressing homelessness. It also provides essential bespoke support for other vulnerable groups including those with mental health concerns, looked after children in care, those with drug and alcohol issues, and victims of domestic abuse.

There is clear evidence of a multiplier effect in terms of social value for every pound spent on SP services, with a report published in 2021 finding the following: “The Supporting People Programme over the two-and-a-half-year period 2018 to the first two quarters of 2020/21 generated a social value of £1: £5.71. This is based on a Total Present Value of £1,038,786,036.30 created against the input of £182,000,000.”<sup>11</sup> Yet despite this remarkable return, resources have not increased in line with inflation, reducing the potential impact that the programme could have.

In contrast to other areas of the Department for Communities budget, the EQIA is vague on what the Department for Communities envisages for the SPP. The EQIA merely states that cuts to the budget would have a negative impact on some section 75 groups without stating what cut is envisaged.

The significant rise in the number of households in temporary accommodation and with homelessness status on the social housing waiting list would suggest that if anything greater investment in the SPP is needed rather than any cut. As the Supporting People Strategic Needs Assessment published in 2021 made clear, a 14% gap already existed between the level of need out there and the supply of support available.<sup>12</sup> This situation has only worsened since the Strategic Needs Assessment was published with the advent of the cost of living crisis.

We would strongly urge the Department for Communities to ensure that no cut is imposed on to the SPP. The context of the last sixteen years should be borne in mind regarding any proposal to cut the SPP. To impose any cut would have deeply damaging effects both on people at risk or experiencing homelessness and the wider sector which seeks to support them.

### *Northern Ireland Housing Executive*

We note that the EQIA proposes a cut to all eleven of the Department’s Arms Length Bodies (ALBs) of 5%. This includes the Northern Ireland Housing Executive (NIHE). As stated above, we collectively believe that the budget allocation for the Department of Communities is insufficient and urge the Secretary of State to reconsider the allocation which has been given. However, if this budget is implemented, we question the proposal being brought forward to simply impose a blanket 5% cut across all of the Arms Length bodies.

The right to housing is a fundamental human right set out in a wide array of international treaties and instruments.<sup>13</sup> The NIHE is the body which is legally responsible for responding

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<sup>10</sup> [Ending Homelessness Together Homelessness Strategy 2022-27 \(nihe.gov.uk\)](https://www.nihe.gov.uk/ending-homelessness-together-homelessness-strategy-2022-27)

<sup>11</sup> S3 Solutions, “Social Return on Investment Study Supporting People Programme,” Housing Executive, June 2021, Social Return on Investment Study (nihe.gov.uk) 51.

<sup>12</sup> Northern Ireland Housing Executive, “Supporting People Three Year Strategic Plan and Covid-19 Recovery Plan 2022-2025”, <https://www.nihe.gov.uk/getattachment/a0e7c160-c22c-4786-b7ee-9299c22b4d44/Supporting-People-Strategic-and-Covid-19-Recovery-Plan-2022-2025.pdf> 11.

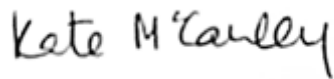
<sup>13</sup> For a comprehensive account of the range of human rights instruments which enshrine the human right to housing, see United Nations Office of Human Rights, “International Standards: Special Rapporteur on the right to adequate housing,” accessed 15 May 2023, <https://www.ohchr.org/en/special-procedures/sr-housing/international-standards>

to homelessness in Northern Ireland. Under the Housing (NI) Order 1988, it has a legal duty to provide accommodation to households who are legally assessed to be homeless or threatened with homelessness. This includes a duty to provide temporary accommodation while the Housing Executive are investigating whether a household presenting qualifies as homeless. They consequently play a central role in upholding a fundamental human right for people living here.

Additionally, we would point out that the NIHE Homelessness Strategy 2022-27 acknowledges throughout that the ability to successfully meet its objectives relies on an appropriate level of funding being made available. The pressure on NIHE's budget to meet their statutory obligations is well evidenced and we are concerned that the budget allocation will place these obligations under further pressure. We are especially concerned however that programmes of work to prevent homelessness which are carried out by the NIHE and through their delivery partners, including those in the wider housing and homelessness sector, will be severely impacted. This may have the effect of seeing some households fall into homelessness with all of the devastating consequences this can have for their health and wellbeing as well as wider society. In addition, this may prove more costly for the public purse in the medium term due to potentially increased costs on health, justice and education services.

We would strongly urge your careful consideration of the equality and service-related impacts outlined above in any consideration of the Department's budget allocations. We would be happy to meet and discuss these issues further.

Yours sincerely



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