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Consultation response

Response to Consultation on the Department for Communities Budget 2024-25 allocations

June 2024

1.1. INTRODUCTION

1.1. About Housing Rights

Housing Rights is Northern Ireland's leading independent provider of specialist housing advice. For over 60 years, we have been helping people to find and keep a home. We believe that prevention is better than cure. Our work seeks to ensure that individuals and families living in Northern Ireland do not reach this crisis point. We recognise, however, that this is not always possible, and we also provide advice and assistance to help ensure that the experience of homelessness is rare, brief and non-recurrent. Housing Rights passionately believes that no one should be without a home and works towards the goal that every citizen in Northern Ireland has a good quality, affordable and sustainable home that meet their needs. In particular, the organisation's services are targeted at people who need help to:

- Prevent them from becoming homeless;
- Find suitable rented accommodation;
- Sustain their tenancies;
- Explore their housing options;
- Avoid repossession and eviction;
- Tackle disrepair or poor conditions in their homes; and
- Meet their housing costs;
- Repay mortgage and/or rent arrears;
- Resolve disputes with their landlord and/or lenders.

In the year ending March 2024, our advice services dealt with enquiries from over 13,000 households on over 53,000 housing issues. We provide a specialist housing helpline open Monday to Friday complemented by a digital Live Chat service accessed through a comprehensive and user-led advice website www.housingrights.org.uk. Our busy frontline advice service is supported by an advocacy and representation service staffed by dedicated caseworkers and a small legal team who prevent and alleviate homelessness by liaising with landlords, lenders and other agencies, as well as provide representation for County and High Court.

In addition to preventing homelessness, our services also assist in promoting access to justice by providing an emergency court representation service (Housing Possession Court Duty Scheme) which assists households at risk of homelessness due to mortgage or rent arrears who are unrepresented in court proceedings. Since December 2019, we have also administered a Housing Mediation Service to address and avoid the escalation of disputes to prevent homelessness.

The reach and expertise of our advisers also extends to Northern Ireland's prisons to assist those entering or leaving custody to safeguard tenancies and/or to access appropriate support to prevent homelessness on release.

We work to support communities and other frontline advisers across Northern Ireland by providing a well-established practitioner support programme, through our Community Housing Advice Partnership and through a comprehensive training and legal information service.

In addition to our frontline specialist advice, representation, and support services, Housing Rights has a policy and participation service that influences government policy decisions to improve housing and homelessness in Northern Ireland. Our policy work is informed by the views and experiences of the people who contact us for advice and aims to support the identification of evidence-based, informed solutions.

1.2. The nature of our response

Our work supporting people in housing need and at risk of homelessness in Northern Ireland means that we are expertly placed to comment on the increasing difficulties many people face and will continue to face in finding and keeping their homes. Indeed, most of the people in contact with our advisers each day who are in housing need are also impacted by inequality.

Housing Rights joined with our colleagues in Homeless Connect, NIFHA and CIH in writing to the First and Deputy First Ministers to express our deep concerns that the Departmental Capital Budget will only allow for up to 400 new start social homes in 2024/25. We believe this insufficient number will only deepen our housing crisis in Northern Ireland, will set back the progression of the Department's aim to promote well-being and severely undermine the Department's strategic objectives.

Housing Rights wishes to make the following overarching comments relating to the impact of the proposed Departmental budget.

2.0. Overarching Concerns

In this section Housing Rights will lay out our overarching concerns, then address each issue in relation to the proposals. Our overarching concerns are as follows:

- The Northern Ireland Executive has failed to prioritise the Department for Communities in its budget allocations in line with the housing crisis.
- The budget allocated to the Department for Communities will not allow the Department to function at full capacity and will devastate its ability to provide urgently required services.
- The proposed budget will damage social housing supply and frustrates the policy direction of the Northern Ireland Executive, Department for Communities and Northern Ireland Housing Executive.
- The proposed budget will have damaging implications for people in housing need.
- The proposed budget will have the effect of increasing need while weakening support.

- The proposed budget risks exacerbating the cross-tenure housing crisis.
- The proposed budget risks negative and long-term impacts in health, education and the public purse.
- The consultation raises concerns with the Department's compliance with its statutory equality duties under section 75 of the Northern Ireland Act 1998.

3.0. Specific Concerns

3.1. Communities lost out at the Executive level amid a housing crisis

Housing Rights is cognisant of the extremely challenging budgetary environment the Department of Communities (the Department) is operating within. This is true across each of the Departments that form the Northern Ireland Executive and is evidenced in funding requests exceeding available funding for Resource DEL on a scale of three to one and exceeding available Capital DEL funding by one and a half times.

Housing Rights does not doubt that this has left the Department in the extremely difficult position of managing an insufficient budget which inevitably forces decisions that will cause damage to the most vulnerable in our society. Indeed, we appreciate that the Department is absorbing a significant amount of these cuts internally. The most basic truth is that the Departmental allocation does not allow the Department to function at maximum capacity, does not provide enough for the Department to deliver on its strategic priorities or targets and is not sufficient to address the level of need in our communities that the Department seeks to meet. The process of determining the allocation of this budget while operating within fiscal constraints and attempting to mitigate the inevitable worst impacts on the public that a budget of this nature gives rise to is, in the view of Housing Rights, an almost impossible task.

Housing Rights believes that the impact of this budget will be devastating to the ability to prevent and alleviate homelessness for years to come. We recognise, however, that the source of this insufficient budget is the Northern Ireland Executive's decision that, despite a housing crisis and record levels of homelessness, the Department was not allocated adequate funding.

At the risk of repeating statistics that Housing Rights and other homeless and housing organisations have been highlighting for months, the current social housing waiting list stands at over 47,000 households.¹ 4,784 households, including 5,106 children, are living in Temporary Accommodation, and spending on this has risen to £34.5 million.² In the Private Rented Sector, which will see a knock-on impact as a result of this budget, average monthly

¹ [Northern Ireland Housing Bulletin January - March 2024 \(nisra.gov.uk\)](https://www.nisra.gov.uk/news/2024/01/northern-ireland-housing-bulletin-january-march-2024)

² [More than 5,000 children are living in temporary accommodation in the north – The Irish News](https://www.irishtimes.com/news/northern-ireland/more-than-5000-children-are-living-in-temporary-accommodation-in-the-north-2024-06-12)

rent has risen from £664 in Q4 2020³ to £830 in Q4 2023⁴ driven by a lack of supply in the face of increasing demand. Consequentially, the average private renter spends almost £2,000 more per year to keep a roof over their heads than three years ago. Although likely protected to some degree by their tenure status, low-income homeowners face challenges to keep their homes amid the sharp rises in the mortgage interest rate implemented over the last two years.⁵ Indeed, there is evidence that this is beginning to have an impact, as the number of possession cases received by the Chancery Division of the Northern Ireland High Court has steadily risen over the same period.⁶

All of this is unsustainable in the medium to long term and demonstrates that housing in Northern Ireland is facing a crisis on a cross-tenure basis.

The Northern Ireland Executive has ultimate responsibility for housing, and the current situation is dire. In allocating a budget, the Northern Ireland Executive should have treated housing on par with health and education as a crisis of this magnitude demands. Yet, the allocation provided to the Department for Communities demonstrates that housing and homelessness are issues that the Executive has chosen not to prioritise.

3.2. The Department for Communities Budget Allocation

A 3% Resource DEL reduction on 2023/24 levels is particularly troublesome, even more so considering that the 2023/24 Resource DEL was itself a reduction of 1.9% on the previous year while Resource requirements have been rising. Indeed, the Department admitted that the 2023/24 Resource shortfall would, *'undoubtedly have a significant impact on the Department's ability to deliver public services.'*⁷ In this context, it is extremely worrying that the 2024/25 Resource DEL shortfall has increased by a further £17.6m from last year.

However, the Capital DEL allocation is most devastating to the prospects of preventing and alleviating homelessness. A 38.3% decrease on the 2023-24 allocation is a drastic cut that is as unexpected as it is damaging, as is demonstrated by the fact that this allocation amounts to an almost 50% shortfall in the amount of capital funding required by the Department for 2024-25. As the Department itself acknowledges, *'given the scale of cumulative Budget reductions in recent years and actions already taken, delivering further reductions will directly impact services.'*⁸

With the above in mind, the Department, Committee and Minister should immediately prioritise recovering capital allocation at upcoming monitoring rounds so it may be invested in new-build social housing at the earliest possible juncture. There are likely to be other capital projects across Departments which are unable progress, from which monies can be

³ [Northern Ireland Housing Market Trends Q4 2020 - PropertyPal Content Hub](#)

⁴ [Northern Ireland Housing Market Trends Q4 2023 - PropertyPal Content Hub](#)

⁵ [What are interest rates? | Bank of England](#)

⁶ [mortgages-bulletin-tables-january-to-march-2024_1.ods \(live.com\)](#)

⁷ [Budget 2023-24. Equality Impact Assessment \(EQIA\) Final Report \(communities-ni.gov.uk\)](#)

⁸ [Budget 2024-25 \(communities-ni.gov.uk\)](#)

recovered to invest in housing. The Minister should also impress upon the Executive the vital importance of prioritising housing supply in the context of an ongoing housing crisis and seek to ensure that the Executive recognises housing as an absolute priority for 2024-25 and beyond.

3.3. Proposed reductions impact the supply of social housing and undermine the policy direction of the NI Executive, Department for Communities and Northern Ireland Housing Executive

In, 'New Decade, New Approach,' a commitment was made for a Programme for Government, which included an outcome which provided a, '*specific focus on ensuring every household has access to a good quality, affordable and sustainable home that is appropriate for its needs.*'⁹ Indeed, the commitment was to be supported by, '*robust programmes and actions.*'¹⁰

This commitment is yet to be realised, and despite being several months into the current mandate of the new Executive, it is still yet to agree and publish a Programme for Government. If we assume that the Executive intends to honour this commitment, it is immediately undermined by the allocation of an insufficient Capital DEL budget which provides enough resources for a maximum of only 400 social home new starts and a homelessness budget which remains at the same level as 2023-24 of £31.4 million, the majority of which (£24.2 million) will be spent on temporary accommodation.

The Housing Supply Strategy remains in draft form despite its consultation closing on the 9th of February, 2022.¹¹ It commits to ensuring our, '*housing policy and legislative framework enables us to deliver the housing supply to meet our current and future needs and demand patterns,*' as well as the delivery of, '*housing solutions for citizens who are most in need.*'¹²

Again, this direction of travel, as outlined in the draft Housing Supply Strategy, is immediately frustrated by the commitment to a maximum of 400 new starts. This commitment supports Objective 1 of the Housing Supply Strategy, which focuses on creating affordable options. To build on Objective 1, the Housing Supply Strategy also commits to, '*supporting the Housing Executive in the delivery of its Ending Homelessness Together 2022-27 Strategy.*'

One of the key indicators of the success of Objective 1 of the Homelessness Strategy, Ending Homelessness Together 2022-27, is, '*minimal households entering homelessness and people exiting homelessness in as short a time as possible.*' At the time of writing, the social housing

⁹ [New Decade New Approach](#), page 39

¹⁰ [New Decade New Approach](#), page 43

¹¹ [Consultation on the new housing supply strategy | Department for Communities \(communities-ni.gov.uk\)](#)

¹² Ibid.

waiting list is at a record high,¹³ and 2,997 households have been in temporary accommodation for over six months.¹⁴ The key to addressing this is acknowledged in Objective 3; stating that, *'ambitions to reduce numbers in temporary accommodation depend on the delivery of broader housing supply options. An adequate supply of social and affordable housing is fundamental to any long-term goal to end homelessness.'*¹⁵ The Capital DEL allocation, providing for an insufficient maximum of 400 new builds, directly undermines the objectives of the Homelessness Strategy and, in Housing Rights' view, all but guarantees its failure.

The damage done to the policy aim of preventing and alleviating homelessness by the provision for a maximum of 400 new builds is evidenced not just by the record levels of homelessness or temporary accommodation, or that it would drastically miss new-build targets. Of particular concern is that this number would not be enough to replenish social housing stock lost through NIHE's House Sales Scheme on an annual basis. In recent evidence provided to the Committee for Communities, CEO of the NIHE, Grainia Long, stated that NIHE sells approximately 500 social homes each year.¹⁶ During this evidence session, Ms Long expressed her belief that reducing stock without replacement fundamentally depletes a vital public asset. This sets the current situation in stark perspective and shows the damage that this budget will inflict on the housing sector and its strategic direction. The existence of the House Sales Scheme also directly contradicts Objective 2 of the Draft Housing Supply Strategy, which focuses on prevention and early intervention and specifically commits to specific actions to, *'focus on homeless prevention,'* and, *'protect our current social housing stock.'*¹⁷

Indeed, as outlined by the Department in the consultation document, need is rising while funding is falling and consequentially, the shortfall has increased. Homelessness funding has remained the same as 2023-24, which translates as a real-term cut.

The implications of the homelessness budget set against rising levels of need and temporary accommodation pressures mean that the financial and policy space available for prevention work is diminishing alongside the prospects of meeting the targets as set out in both the Draft Housing Supply Strategy and the NIHE Homelessness Strategy. If Northern Ireland is to make progress on tackling the housing crisis, resource and policy space for prevention and early intervention initiatives must be carved out alongside ensuring there is an adequate supply of housing, a point which is accepted by the Draft Supply Housing Strategy through its acknowledgement that achieving the vision of the Strategy requires a, *'whole system*

¹³ [Northern Ireland Housing Bulletin January - March 2024 \(nisra.gov.uk\)](https://www.nisra.gov.uk/northern-ireland-housing-bulletin-january-march-2024)

¹⁴ [ni-homelessness-bulletin-oct-mar-2024-tables.ods \(live.com\)](https://www.nisra.gov.uk/ni-homelessness-bulletin-oct-mar-2024-tables.ods)

¹⁵ [Ending Homelessness Together Homelessness Strategy 2022-27 \(nihe.gov.uk\)](https://www.nihe.gov.uk/ending-homelessness-together-homelessness-strategy-2022-27), page 40

¹⁶ [Committee for Communities Meeting, Thursday 21 March 2024 - Northern Ireland Assembly TV \(niassembly.tv\)](https://www.niassembly.tv/committees/committees-for-communities/committees-for-communities-meeting-thursday-21-march-2024-northern-ireland-assembly-tv) 2h, 40m mark

¹⁷ [Housing Supply Strategy 2022-2037 \(communities-ni.gov.uk\)](https://www.communities-ni.gov.uk/housing-supply-strategy-2022-2037) page 23

*approach.*¹⁸ Housing Rights believes that there should be a much greater focus on preventing homelessness in Northern Ireland. The introduction of a cross-government statutory duty to cooperate to prevent and alleviate homelessness would go some way to ensuring the prevention of homelessness is a priority across government.

In the absence of such duties, the Capital DEL allocation provided to the Department is entirely incongruous with the policy direction, established through a series of strategies as outlined above, to prevent and alleviate homelessness and increase housing supply.

3.4. Implications for people in housing need

As briefly discussed above, this budget will undermine efforts to address homelessness and to reduce the social housing waiting list, which is at record levels. Regrettably, this number will only continue to rise. The cumulative effect of the cost-of-living crisis and proposed budget reductions across public services (including the limitations placed upon Discretionary Support in the past 12 months) will increase the number of people encountering affordability issues and struggling to retain their homes, which may, result in an increase in the number of homeless presentations.

For perspective, there are approximately 428 dwellings per thousand inhabitants in Northern Ireland¹⁹ which is drastically below the EU average of 517.²⁰ In the past year alone, the housing waiting list has grown by 2,207 households. It is clear, then, that to arrest the current rate of rising homelessness, yearly new starts must surpass even the 2022/23 Social Housing Development Programme target of 1950²¹ and push instead toward the 2026/27 targets of 2,300.²²

If targets are not revised on the basis of need and subsequently met in the upcoming years, Northern Ireland will continue to see accelerating levels of people on the housing waiting list and statutory homelessness.

3.5. The proposed budget will have the effect of increasing need while weakening support

The proposed reduction to the Capital DEL budget will likely have the cumulative impact of increasing levels of homelessness, unmet need, and demand for support services such as Housing Rights and other housing and homelessness organisations seeking to prevent and alleviate homelessness. Housing Rights has firsthand experience that rising levels of need,

¹⁸ Ibid.

¹⁹ Based on 2021 census figures

²⁰ [\[Housing Stock and Construction\] \(oecd.org\)](https://www.oecd.org/housing/)

²¹ [Social Housing Development Programme delivery against Strategic Guidelines Report \(2020/21 - 2022/23\) \(nihe.gov.uk\)](https://www.nihe.gov.uk/social-housing-development-programme-delivery-against-strategic-guidelines-report-2020-21-2022-23/)

²² [Commissioning Prospectus \(nihe.gov.uk\)](https://www.nihe.gov.uk/commissioning-prospectus/)

particularly around homelessness and temporary accommodation, is already impacting capacity in the sector. Many housing and homelessness organisations have expressed similar concerns in recent months. Across the sector, capacity to respond to need is being eroded.

This pattern is already deep into a multi-year span following successive cuts to the Department's budget, impacting services, and has entrenched a socio-economic landscape of heightened homelessness and poverty. The contributing issues become more expensive to address the longer they are allowed to become embedded in the sector. Need, and therefore cost to ameliorate the contributing factors to that need, will rise with every passing year. The Northern Ireland Executive needs to recognise this urgently and allocate a budget which allows sufficient investment in prevention measures. If it does not, it risks sustained increasing levels of homelessness and is in danger of overwhelming the sector which supports the homeless and those at risk of homelessness.

3.6. The proposed budget will exacerbate the cross-tenure housing crisis

Unaddressed demand for social housing has implications for the wider housing sector beyond increasing levels of homelessness and prolonged stays in temporary accommodation. For others on low income who may be in danger of becoming homeless but are managing to retain their homes, it forces them to rent privately. This creates immediate and unsustainable pressures on public finances and resources, a scenario already playing out in Northern Ireland.

In section 2.1, we outlined how private renters in Northern Ireland are already facing drastic rent price inflation. The average renter is being forced to spend an extra £2,000 per year just to cover their rental costs. This alone is unsustainable and is even more so in the context of a cost of living crisis.

According to Ulster University, inflation is being driven by a, '*stark demand and supply imbalance,*' and that there is a lack of supply leading to, '*challenges related to rental inventory, affordability and tenure and alternative accommodation options.*'²³

For many low-income private renters, that alternative accommodation option should be the social rented sector. However, due to a lack of stock in the social sector, they are essentially left with two scenarios: to meet the ever-increasing price of their monthly rent at the expense of food or fuel or, as an increasing cohort is being forced to do, to exit the market and present as homeless to the Northern Ireland Housing Executive.²⁴

²³ [Performance of the Private Rental Market in Northern Ireland, H2 2023 \(ulster.ac.uk\)](https://www.ulster.ac.uk/performance-of-the-private-rental-market-in-northern-ireland-h2-2023)

²⁴ [ni-homelessness-bulletin-oct-mar-2024-tables.ods \(live.com\)](https://www.ni-homelessness-bulletin-oct-mar-2024-tables.ods) 1_1C

The impact of this is playing out in the shortfalls low-income private renters have between the Housing Cost Element or Housing Benefit they receive through Local Housing Allowance (LHA) and their monthly rent.

In recent responses to written questions from Daniel McCrossan MLA, the Minister revealed that as of November 2023, 50,150 private renters in Northern Ireland had a shortfall between their LHA and their private rent.²⁵ The average monthly shortfall for Universal Credit recipients was £129, and for Housing Benefit recipients, it was £97.²⁶ Despite a welcome realignment of the rate of LHA to the lowest 30 percentile implemented in April 2024, this trend is likely to remain for the long term as long as supply needs are not being met.

In this context, we must appreciate the relationship between housing costs and poverty in Northern Ireland. Compared to the UK, Northern Ireland is a low-income region yet recently has lower poverty levels than other regions of the UK. It is important to recognise that this position is precarious and primarily due to historically lower housing costs, which reflect a lower-income economy.²⁷ If housing costs continue to rise at the current rate while income levels continue to stagnate, the number of people in poverty in Northern Ireland will quickly rise. Indeed, this has already begun,²⁸ meaning that many people will no longer be able to afford their housing costs.

Therefore, this budget's knock-on impact will be to limit further alternative options for low-income private renters whose affordability is quickly diminishing. It will contribute directly to swift inflation in the private rented sector and run the risk of increasing the number of low-income renters having to present as homeless, thereby driving needs-based targets up and costing more in the long term.

It is important to recognise that investment in housing is a highly important preventative spend. Failure to invest sufficiently in social housing has many consequent impacts on public finances, as outlined above. Less social housing means more reliance on an already overwhelmed private rented sector. This drives up rent and increases reliance on limited support such as discretionary housing payments, risking increased levels of homelessness due to loss of private rented accommodation. This incurs a significant cost to the public purse and fuels temporary accommodation demand. The extra demand for temporary accommodation combined with less social housing and fewer private rental opportunities means significantly increased costs incurred in maintaining temporary accommodation and acquiring more. It is, therefore, extremely unlikely that the concentration and perpetuation of this cycle will result in savings of any kind to the public purse.

²⁵ AQW 10214 /22-27

²⁶ AQW 10213 /22-27

²⁷ [JRF - Poverty in Northern Ireland](#) page 6

²⁸ [Northern Ireland Poverty and Income Inequality Report, 2022/23 \(nisra.gov.uk\)](#)

3.7. The impact of poor housing and homelessness on health and education and the wider public purse

Housing Rights is aware of the ongoing crises in health and education in Northern Ireland. In health, waiting lists are at unacceptable levels²⁹ and in education, there is a serious shortfall in SEN places³⁰ and significant issues with socio-economic inequalities leading to wide disparities in educational attainment.³¹

Housing Rights also is working with a number of clients who are unable to access primary services such as education and healthcare due to being placed in unsuitable temporary accommodation after being granted leave to remain far away from where they have built their lives. This has meant that some of the children in these households have had to travel up to four hours each day in order to attend school, with some dropping out of education and others being unable to sit their GCSE and A Level exams. In addition, one of our clients is fit but unable to be discharged from hospital due to a lack of suitable temporary accommodation. Such cases are a clear illustration of how the housing crisis in Northern Ireland is impacting other key services and severely impacting the ability of people to live their lives and reach their full potential.

It is Housing Rights' belief that just as a whole system approach is required to tackle our housing crisis, the achievement of safe, sustainable and suitable homes for all our citizens can contribute to a whole system solution to our health and educational issues in Northern Ireland.

In 2020, the landmark Marmot Review, a review of health equity in England, was updated and expanded upon, taking into account new information and findings that had emerged in the decade since its publication in 2010. We recommend that the housing section of the review is examined by all relevant decision-makers. The following is a short extract which outlines the impact of poor and unsuitable housing on the health of a population and educational attainment of young people,

“Poor-quality housing harms health and evidence shows that exposure to poor housing conditions (including damp, cold, mould, noise) is strongly associated with poor health, both physical and mental. The longer the exposure to poor conditions, including cold, the greater the impact on mental and physical health. Specific physical effects are morbidity including respiratory conditions, cardiovascular disease and communicable disease transmission, and increased mortality. In terms of mental health impacts, living in non-decent, cold or overcrowded housing and in unaffordable housing has been associated with increased stress and a reduction in a sense of empowerment and control over one’s life and with depression and anxiety. Children living in overcrowded homes are more likely to be stressed, anxious and

²⁹ [NHS under pressure Northern Ireland \(bma.org.uk\)](https://www.bma.org.uk/news/2020/nhs-under-pressure-northern-ireland)

³⁰ [Paul Givan: System struggling to keep pace with increased demand for SEN places – The Irish News](https://www.irishtimes.com/news/education/paul-givan-system-struggling-to-keep-pace-with-increased-demand-for-sen-places-2021-01-14)

³¹ [Educational Underachievement in Northern Ireland: Review of Research 2021 - Stranmillis University College | A College of Queen's University Belfast](https://www.stranmillis.ac.uk/news/2021/educational-underachievement-in-northern-ireland-review-of-research-2021)

depressed, have poorer physical health, attain less well at school and have a greater risk of behavioural problems than those in uncrowded homes.”³²

We have demonstrated above how the budget allocation will directly impact rent inflation and harm the affordability of renters in Northern Ireland. The Marmot review reflects on affordability specifically and highlights the myriad of health issues that stem from unaffordable housing. Housing affordability was the single most commonly stated reason for poor mental health, even in instances where a person had no previous mental health issues.³³ The review found that renters have been disproportionately the hardest hit.³⁴

It is evident that a lack of suitable housing solutions results in a less healthy population and a greater reliance on the health service. This incurs significant costs to the NHS. Indeed, research carried out in 2023 by the Building Research Establishment estimated that the annual cost to the NHS of treating those in poor housing conditions was £1.4 billion. It is clear that housing in Northern Ireland must be prioritised in a whole system approach and should be a central pillar of a whole system solution.

On education specifically, there is a large evidence base that poor quality housing and homelessness can lead to educational underachievement among our young people. Decision and policymakers must recognise that living conditions are a foundational part of a young person’s overall well-being, and poor housing can have consequent impacts on their capacity for learning and attainment. In 2020, Shelter England partnered with YouGov to carry out a study into the impact of homelessness and bad housing on children’s education.³⁵ The report found that of teachers who had experience of working with children who were homeless or living in bad housing,

- **88% reported children missing school as a key issue.** This is a particularly pertinent point in the context of the rising pressure on temporary accommodation in Northern Ireland, as this was often because, *‘children can face significant difficulties with their journey to school if they become homeless and are accommodated a long way from their former home.’*
- **87% reported children coming to school hungry.** Again, this should be considered in the context of temporary accommodation as non-standard accommodation such as, *‘B&Bs and hostels are often not equipped with suitable or any cooking facilities.’*
- **94% reported tiredness as an issue.**
- **89% reported children arriving at school in dirty or unwashed clothing.**

In 2010, Ecorys carried out research on the social impact of poor housing. On the impact on education, the study found that there was, *‘strong evidence to suggest that poor housing conditions result in educational underachievement, with children in better quality homes*

³² [Health Equity in England The Marmot Review 10 Years On full report.pdf](#) page 108

³³ Ibid.

³⁴ Ibid. page 109

³⁵ [Briefing: The impact of homelessness and bad housing on children's education - Shelter England](#)

gaining greater numbers of GCSEs, A-Levels and degrees. It is Housing Rights' view that the limiting impact of poor housing on children's lifetime opportunities is so significant to merit increased investment in housing and prevention initiatives. In the context of forming a central part of a whole system long-term solution, the same study estimates that impacted children have lost out on £14.8 billion in earnings as a direct result of poor housing.³⁶ This is taxable income which long term could be reinvested back into our public services.

It is clear that investment in housing has real and significant long-term benefits across society as a whole and must be prioritised in the long term as a key contributor to unlocking Northern Ireland's long-term potential and putting us on a sustainable, successful path.

Investment in housing also provides for short-term savings elsewhere in the public purse. In 2015 Housing Rights commissioned Fiona Boyle Associates to calculate the cost of homelessness in Northern Ireland. The report calculated the average cost of homelessness in Northern Ireland in 2015 was £15,470.40 per year per homeless client.³⁷

The cost will have likely risen in the meantime, as the cost of temporary accommodation was the most significant contributor to this calculation, and temporary accommodation costs have since spiralled. Yet if we apply the calculation of £15,470 per year to the current number of statutorily homeless clients on the social housing waiting list, which was 29,394 as of March 2024,³⁸ the cost to the public purse could be estimated to be £454,725,180 per year. This is also an extremely conservative estimate, as a significant number of the households on the waiting list accepted as statutorily homeless are families.

It is clear then, that if there were sufficient investment in suitable housing supply and preventative initiatives to reduce the number of people becoming homeless in Northern Ireland, significant annual savings could be made in both the short and long term and invested in public services across all of government.

3.8. The phased nature of this EQIA Consultation and compliance with Section 75 of the Northern Ireland Act 1998

While we appreciate that the budgetary environment over the past number of years has been extremely pressurised and policies have had to be implemented quickly, Housing Rights is concerned to learn that this EQIA consultation, like a number of consultations over recent months,³⁹ is phased. This means that although there is a deadline for the length of the consultation of the 3rd September 2024 in line with the Department's statutory obligations,⁴⁰ the Department is encouraging responses to be submitted earlier if organisations wish to influence policy proposals. In effect, this offers much less time for

³⁶ [ECOTEC Report Social impact of poor housing 02 Mar 2010.doc \(southdevonrural.co.uk\)](#)

³⁷ Housing Rights is planning to update this research and will share this with the Department

³⁸ Based on numbers attained by Housing Rights from NIHE on 21st July 2024

³⁹ [Consultations | Department for Communities \(communities-ni.gov.uk\)](#)

⁴⁰ [Equality Scheme for Department for Communities \(communities-ni.gov.uk\)](#)

consultees to make a response and undermines the Department's compliance with its section 75 obligations. In this instance, it has been indicated to Housing Rights that in order to influence decision-making, responses should be received prior to 1st July 2024. Housing Rights has recorded its concerns about this in the past but is particularly concerned in this instance as the phased nature of this EQIA is not stated either in the consultation document or on the Department's website.

This mode of consulting has the effect that only responses received at the earliest stages of consultation will be used to inform the policy as proposed in the consultation document. It suggests that views expressed in responses received later in the consultation period will not be considered in decisions being made on the policy. The Department's approved Equality Scheme is clear that consultation periods should last for a minimum of twelve weeks to allow adequate time for groups to consult among themselves as part of the process of forming a view.⁴¹

It is Housing Rights' view that this practice effectively shortens the consultation period, in this case to three weeks. There are, therefore, two consultation exercises running concurrently. The first, which will inform decisions currently being undertaken on the policy, ends just after three weeks, and the second, which will not inform policy decisions being undertaken, ends on 3rd September 2024. This clearly disadvantages organisations and individuals who do not have the policy capacity to prepare a response within three weeks. But it is also clear that this practice is not adequate or compliant with the Department's approved Equality Scheme to conduct consultations for a minimum of twelve weeks. It also states that if a consultation exercise is to take place over a period when consultees are less able to respond, for example, over the summer period, the Department will consider the feasibility of allowing a longer period for consultation.⁴²

The Department has statutory equality obligations to ensure compliance with consultation timeframes as committed to in its approved Equality Scheme. By asking respondents to submit a response before a set date in order to have their views considered in determining the consulted-on policy, the Department is effectively ending the consultation exercise. Continuing the consultation exercise for a twelve-week period when responses received after a certain date will not be considered in undertaking decisions is extremely poor practice and not compliant with the Department's statutory obligations under section 75.

Housing Rights understands that the primary reason for the decision to conduct the consultation in this manner is down to the time taken by the Northern Ireland Executive to agree on a budget, combined with upcoming monitoring rounds. This has undoubtedly compelled the Department to act quickly to implement the proposals contained within the document or risk an overspend. We do, however, believe that this short timeframe for consultation, which has not been widely communicated, significantly undermines the ability

⁴¹ Ibid Para 3.11

⁴² Ibid. Para 3.14

of consultees to make responses which will be considered in reaching final budgetary policy positions. It also calls into question the ability of the Department to comply with its statutory equality obligation to take into account the views expressed by consultees under Schedule 9 paragraph 9(2) of the Northern Ireland Act 1998. A firm commitment to this is also included within the DfC's approved Equality Scheme.⁴³

4.0. Suggested Mitigations

Housing Rights is extremely cognisant that the Department's financial position leaves little to no room for mitigation of the impacts acknowledged in the consultation document and outlined above. As we have discussed already, the Department has been provided with an insufficient allocation for its needs and the needs of the people who rely on the services it provides. Indeed, the Department has outlined its own efforts to absorb a significant portion of the cuts, which will undoubtedly impact its capacity. Housing Rights is also keen to acknowledge that the Department has made efforts to mitigate impacts through allocations which, despite the proposed budget cuts, are extremely welcome.

We particularly welcome increased funding for the Community and Voluntary Sector, which we have outlined is facing extremely difficult capacity issues. The Supporting People programme is also a vitally important preventative programme worthy of investment, and we welcome an increase in funding of £4.8m. As a housing advice provider, we are also extremely aware of the level of need in the housing sector for Discretionary Support for struggling renters, and we welcome that the fund has received an increase in funding which now provides £22m for the year. These are extremely encouraging announcements that Housing Rights recognises and welcomes.

The Department may find significant mitigation for the future by ringfencing a sufficient budget allocation for preventative work, which would prevent this important fund from being absorbed elsewhere. As outlined above, the cost of homelessness to the public purse is significant, and its prevention will result in savings and benefits for multiple departments. This should be seen as an important investment to prevent homelessness from occurring in the first place, thereby leading to higher costs elsewhere to alleviate it.

4.1. The Executive must recognise the housing crisis in its allocation of in year monitoring rounds

The main issue of concern is the low level of Northern Ireland Executive funding, and Housing Rights will therefore share this response with political parties. We would also welcome the opportunity to brief parties on the housing crisis and the need for sustained long-term action.

⁴³ [Ibid](#), para 4.2

It is clear that to meet housing need in order to arrest the housing crisis and provide sufficient housing options in Northern Ireland, the Executive needs to understand the depth of the housing crisis we now face and prioritise it in line with Education and Health.

We would not suggest that the Departments of Health or Education should receive budget cuts to be allocated to the Department for Communities and recognise that there are severe crises across our hospitals and schools. What we do believe, however, is that the depth of evidence of a housing crisis requires the Executive to prioritise it as one of the most serious challenges it is facing in 2024-25 and beyond. It is clear that the current proposed allocation does not represent evidence of prioritisation, progress in addressing the crisis and instead will be counter-productive in ending it.

Research studies worldwide indicate that access to suitable, sustainable housing brings wholesale societal benefits. A housing system that meets the needs of a populace means fewer people suffering from health problems, fewer instances of crime and antisocial behaviour, and better educational attainment and opportunities for our young people.⁴⁴ Long-term investment in housing now in Northern Ireland will bring long-term benefits for the people of Northern Ireland, as well as all government Departments, putting Northern Ireland on a more sustainable footing. It is clear that the current Executive strategy is fundamentally flawed and if we continue to see a lack of investment in housing of this level, the crisis will only become ever more difficult and costly to resolve.

With that in mind, we urge the Minister and the Department to do everything possible to outline the scale of the challenges the Department now faces and emphasise that housing needs must be met as a priority, so that this may be reflected in the Department's allocation from the upcoming monitoring round. We welcome the Minister's recent meeting with the Minister for Finance, where this issue was discussed and hope that this results in greater prioritisation around the Executive table.

4.2. End the Northern Ireland Housing Executive's House Sales Scheme

Housing Rights recognises that a pragmatic response to the current budgetary crisis will involve not just an examination of what can be done to reduce inequalities but also what we can *stop* doing, which has the same desired result. In this vein, Housing Rights is of the view that it is now untenable for the NIHE's House Sales Scheme to continue. Continuing with the House Sales Scheme this year may present, for the first time, a situation in which there is a net deficit in stock added to our social housing stock – with only 400 new starts and approx. 500 homes lost through the House Sales Scheme.

This mitigation would protect Northern Ireland's existing social housing stock, ensuring that we can avoid a position whereby we are losing the only housing options available to our society's most vulnerable in terms of meeting their urgent housing needs.

⁴⁴ [The Impact of Social Housing: Economic, Social, Health and Wellbeing | CECL](#)

5.0. Conclusion

As stated above, Housing Rights recognises that the Department has been allocated an insufficient budget, which will have made allocating the Department's overall budget extremely difficult. We therefore urge the Minister, the Department and the Committee for Communities to urgently explore the recovery of Capital DEL allocation in the upcoming monitoring round. It is vital that a robust case is presented to the Northern Ireland Executive for the prioritisation of housing for the remainder of 2024-25 and beyond.

It is Housing Rights' view that the current budget allocation will undermine the policy direction of the Northern Ireland Executive, the Department for Communities and the Northern Ireland Housing Executive. Commitments made in New Decade New Approach, the Draft Housing Supply Strategy and the Homelessness Strategy will be damaged by the current allocation, and we urge the Department to, alongside its efforts to address the Capital DEL shortfall, carve out policy and resource space for preventative measures which may aid the policy direction of preventing and alleviating homelessness.

Further, our current stock must be protected in the context of a housing crisis, rising homelessness and an insufficient Capital Budget. The Minister must therefore urgently consider ending the Northern Ireland Housing Executive House Sales Scheme to avoid the untenable position of a net deficit of social housing stock being added in 2024-25.

The Executive must also urgently embrace a whole system approach and view spend on housing as highly important preventative investment in the future of Northern Ireland. Investment in housing stock and homelessness prevention measures will reduce costs in temporary accommodation and the alleviation of homelessness in the short term. In the long term, it will provide significant savings across health and education and reduce the pressure on both sectors. Truly incorporating housing as one of the key pillars in a whole system approach will unlock its potential to be a significant contributor to whole system solutions across society in Northern Ireland.

For more information on this policy response, please contact Housing Rights' Policy Coordinator at stephen.morrison@housingrights.org.uk.

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