

**Housing
Rights**

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**Policy Consultation
Response**

**Response to Consultation on
Department for Communities
Budget 2023-24 Allocation**

1.0. INTRODUCTION

1.1. About Housing Rights

Housing Rights is Northern Ireland's leading independent provider of specialist housing advice. For almost 60 years we have been helping people to find and keep a home. We believe that prevention is better than the cure. Our work seeks to ensure individuals and families living in NI do not reach this point of crisis. We recognise however that this is not always possible, and we also provide advice and assistance to help alleviate homelessness for people who, for whatever reason, find themselves facing this crisis. Housing Rights believe passionately that no one should be without a home and work tirelessly towards the goal that every citizen in Northern Ireland has a decent, safe and affordable home to live in. 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;
- meet their housing costs;
- repay mortgage and/or rent arrears;
- resolve disputes with their landlord and/or lenders.

In the year ending March 2023, 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 & 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 at 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 prevent and address 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 and specialist advice, representation and support services, Housing Rights has a policy and participation service which 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 are and will continue to face to find and keep their home. Indeed, most of the people in contact with our advisers each day who are in housing need are also impacted by inequality. The Department has recently explored the nature and extent of inequality relating to housing as part of the EQIA which accompanied the Draft Housing Supply Strategy and the comments below do not further rehearse the evidence highlighted in this work.

We have joined with our colleagues in NIFHA, Homeless Connect and CIH in a separate joint response to this consultation to express our joint concern that the proposed budget reductions will set back progression of the NI Executive's aim to promote wellbeing and severely undercut the Department for Communities own strategic objectives.

In addition to the comments expressed in our joint response, Housing Rights wishes to make the following overarching comments relating to the impact of the proposed cuts on our services and the people we support.

2.0. OVERARCHING CONCERNS

2.1. Proposed reductions undermine policy direction of NI Executive and Department for Communities

In 'New Decade, New Approach,' a commitment was made for a Programme for Government which included an outcome which provided ***"specific focus on ensuring every household has access to a good quality, affordable and sustainable home that is appropriate for its needs."***¹ The proposed budget reductions will do irreparable damage towards this position.

¹ 'New Decade, New Approach', January 2020, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/856998/2020-01-08_a_new_decade_a_new_approach.pdf p39.

We are further concerned that the reductions will have a devastating impact across the sector, destabilising efforts by statutory and third-party organisations and setting back progress made in COVID recovery and further entrenching the inequalities faced by many people experiencing poor housing and homelessness in an ever-deepening cost of living crisis. Specifically, the budget reductions will undercut the policy direction set in the NI Homelessness Strategy 2022-27 which is explicitly about homelessness prevention and the DFC Housing Supply Strategy.

2.2. Proposed reductions will have the effect of increasing need while weakening support

To be clear, as described below, the proposed budget reductions are likely to have the cumulative effect of increasing levels of poverty, unmet need and will drive up demand for services such as ours which seek to prevent and alleviate homelessness. At the same time, the budget reductions will impact on funding for services such as those delivered by Housing Rights which will weaken our collective capacity to respond to this need. In so doing, this will have the effect of moving further away from the policy direction of the NI Executive to promote wellbeing and will undercut the Strategic Priorities of the Department for Communities. More devastatingly, the reductions also risk a more deeply entrenched socio-economic landscape with heightened levels of homelessness and poverty, which are more expensive to address in the long term than the prevention activities which could have ameliorated them.

2.3. Draft EQIA does not sufficiently identify Section 75 impacts or identify mitigations / opportunities to better promote equality

Finally, prior to engaging with the specifics of the draft EQIA, Housing Rights wishes to note an overarching concern relating to the EQIA itself. Whilst it is welcome that in line with the Department's duties under Section 75 of the NI Act 1998 and the Department's own Equality Scheme, an Equality Impact Assessment has been carried out and issued for consultation, there are specific concerns with the approach taken. Firstly, Housing Rights notes that there has only been limited engagement with data to identify the likely impact of the proposed budget reductions on section 75 groups. Secondly, there has been no clear analysis which examines how this impact may be mitigated by better promoting equality of opportunity amongst these groups – which is the secondary purpose of an EQIA – as referenced in the Department's Equality Scheme.² Housing Rights respectfully requests that this analysis is given appropriate and full consideration and published as part of the EQIA process. The Department must consider for example, how services which support and assist people experiencing inequality can better provide their services in the context of increasing levels of need.

² DFC, Equality Scheme, p.15 accessible at: <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/dfc-equality-scheme.pdf>

3.0. SPECIFIC CONCERNS WITH THE REDUCTIONS OUTLINED IN THE DRAFT EQIA

A number of specific areas of concern on the specifics of the EQIA proposals are outlined below.

3.1. Capital Budget

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

3.1.1. Impact on the supply of social housing

Housing Rights is particularly concerned that the stated impact of the reductions will mean a cut to the number of new Social Housing Units being built by 600 units. This will mean only 1400 units instead of the 2000 units originally targeted. The five-year projected need for new social homes in Northern Ireland for the period 2022-27 is 23,557³. This reduction in new builds will have a detrimental effect on meeting that target.

The implications of not appropriately addressing housing supply are far reaching. In the most immediate sense, we are concerned about the 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.

3.1.2. Implications for people in housing need

This proposal will undercut efforts to address the social housing waiting list, which as of March 2023 stood at 45,105 households with 72% of those applicants deemed to be in housing stress⁴.

Regrettably this number will 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 people finding difficulty affording to stay in their homes and may therefore result in an increase in homeless presentations.

Housing Rights would urge the Department to consider how this impact may be mitigated. It is particularly important 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 per year. [OBJ] The EQIA should expressly identify the Section 75 groups most likely to be affected by this budget reduction and how the impact may be mitigated.

³ [Commissioning Prospectus \(nihe.gov.uk\)](https://www.nihe.gov.uk/commissioning-prospectus)

⁴ [Northern Ireland Housing Bulletin January-March 2023 \(communities-ni.gov.uk\)](https://www.communities-ni.gov.uk/northern-ireland-housing-bulletin-january-march-2023)

3.1.3. Pressure on the wider housing market

Unaddressed demand for social housing forces many people, particularly those on low incomes into other areas of the housing market. For some this will mean prolonged stays in temporary accommodation (TA) and for others it will force them to rent privately. In both these instances, this creates 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. Of these, 83% experience a shortfall between their benefits and the amount of rent they pay. At last count, the average shortfall was £118⁵ per month. With Local Housing Allowance currently frozen, Discretionary Support Grant rewards being scaled back to £13.7m, rent prices in Northern Ireland rising by 9.9%⁶, and amid 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 renters⁷. We note with concern that despite the Panel's report, the 2023-24 budget allocations do not include any provision to progress the recommendations in this review for new welfare mitigations. This Financial Inclusion Service would cost approximately £3m⁸ and be an important mitigating spend, protecting many people from the groups under Section 75 falling into homelessness. It would be a preventative spend, contributing to preventing the costs associated with homelessness. It is especially disappointing that this particular recommendation cannot progress as it is one of the recommendations outlined in the Review which does not require legislation.

Failure to address the waiting list, compounded by the increasing costs outlined above will inevitably force more households into homelessness and temporary accommodation which will place further pressure on statutory services and the public purse.

In 2022 there were 10,028 Temporary Accommodation placements in Northern Ireland. This represented a 13.8% increase on the number recorded in 2020.⁹ The number of households in temporary accommodation has risen dramatically since the advent of COVID-19, rising from 2,065 in January 2019 to 3,495 in January 2023, an increase of 91%. In 2021/22, NIHE spent £17 million on provision of temporary accommodation compared to £7.5 million in 2019/20.¹⁰ This level of increase is unsustainable in terms of capacity and will place significant knock-on costs to the public purse through maintaining current

⁵ Based on statistics provided by independent advisory panel to DfC

⁶ [Index of Private Housing Rental Prices, UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

⁷ [Welfare Mitigations Review \(communities-ni.gov.uk\)](https://communities-ni.gov.uk)

⁸ [Welfare Mitigations Review \(communities-ni.gov.uk\)](https://communities-ni.gov.uk)

⁹ [Ending Homelessness Together Homelessness Strategy 2022-27 \(nihe.gov.uk\)](https://nihe.gov.uk)

¹⁰ 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 50.

Temporary Accommodation and obtaining new accommodation to meet fast-growing demand.

While we acknowledge that any surplus Capital DEL (Departmental Expenditure Limits) 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.

It is important to recognise that investment in housing is a highly important preventative spend. Failure to invest sufficiently in social housing particularly has many knock-on impacts on public finances as outlined individually above. Less social housing means more reliance on an already overwhelmed Private Rented Sector. This drives up rent and increases reliance on 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 less private rental opportunities means extra cost incurred in maintaining Temporary Accommodation and acquiring more. It is unlikely therefore, that the concentrating and perpetuation of this cycle will result in medium to long-term savings to the public purse.

3.2. 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.'

3.2.1 Supporting People Programme

We would seek clarification on whether the baseline 5% cut proposed to Arm's Length Bodies is also being applied to SP.

The SP programme funds almost two thirds of the of homeless services¹¹ 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. The cut will present a challenging environment for providers and for people in receipt of support.

3.3. Northern Ireland Housing Executive

Housing Rights is also concerned by the proposed 5% cut to the 2022/23 baseline budget of the Northern Ireland Housing Executive (NIHE). Housing Rights notes that the proposal is to impose a budget reduction on last year's baseline budget, which will compound the difficulty for NI's only regional housing authority and the body with the lead role in NI's Homeless Strategy.

¹¹ [Ending Homelessness Together Homelessness Strategy 2022-27 \(nihe.gov.uk\)](https://www.nihe.gov.uk/ending-homelessness-together-homelessness-strategy-2022-27)

Housing Rights is expressly concerned about the impact of the proposed budget reductions on the NIHE'S capacity to deliver the 2022-27 Homelessness Strategy, a strategy which is explicitly premised upon the need to prevent homelessness in the first instance. 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.

NIHE's Homeless Strategy also acknowledges throughout its reliance on partnership working with a range of delivery partners in the wider housing and homelessness sector, with other organisations and projects reliant on funding from the NIHE as part of the Strategy delivery. This includes a number of projects which work to prevent homelessness which are delivered by Housing Rights.

The current Strategy further outlines the NIHE's ambition to ensure people with lived experience of homelessness and poor housing inform service delivery and policy development. The efforts to realise this ambition are predominantly resourced by community & voluntary sector partners with expertise in supporting experts by experience. It would be deeply regrettable if the budget reductions impacted on NIHE's ability to prioritise this work. It is Housing Rights experience that those who have experienced homelessness or housing need have input which is invaluable in contributing to effective policymaking in tackling, reducing and ending homelessness. Housing Rights is extremely concerned that cuts to the NIHE and their partner community and voluntary organisations will result in the voices of those with lived experience being lost, which will have a twofold impact in the form of lost expertise and a detrimental impact on the prospects of the Homeless Strategy objectives being met. Housing Rights reiterates again that investment in the NIHE and its delivery partners is seen as preventative spend, as their work helps alleviate the costs to the public purse that are associated with homelessness.

3.4. Third party organisations

Housing Rights notes that community and voluntary sector organisations funded by the Department for Communities are not expressly identified in the draft EQIA, other than in reference to 'Third party' organisations, which it is assumed covers C&V sector funded organisations. Housing Rights would urge the Department to strongly consider the impact on C&V sector organisations and on the communities they support – many of whom are already experiencing inequality. C&V funded organisations who rely on core funding from the Department, including Housing Rights, exist in service of the promotion of equality, prevention of homelessness and relief of poverty.

For further information on any of the issues raised in this response or to arrange a meeting to discuss further, please contact Housing Rights' Policy Coordinator, Stephen Morrison by email at stephen.morrison@housingrights.org.uk.

Housing Rights

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when everyone has a **home**