

Policy Response to Department for Communities
Draft Budget 2021-22 Equality Impact Assessment
Consultation

February 2021

1.0 INTRODUCTION

Housing Rights is Northern Ireland's leading independent provider of specialist housing advice. For over 50 years we have been helping people to find and keep a home. Housing Rights' policy work is based on the views and experience of the people who contact us for advice and aims to support the identification of evidence based, user informed solutions. Based on our clients' experience we are concerned about the implications of some of the recent budget announcements in terms of tackling homelessness and housing problems in Northern Ireland.

1.1 Cost of homelessness and poor housing

Failure to invest in preventing homelessness and tackling poor housing is not cost neutral. In addition to the human cost, homelessness has significant financial implications across the public sector, as the Northern Ireland Audit Office (NIAO) highlighted in their 2017 report on Homelessness in Northern Ireland.¹ Indeed the annual cost to the NI public purse of each homeless presentation was estimated in 2015 to range from £4,972.36 to £36,119.34 (depending on the complexity of the situation), with the average deemed to be £15,470.² Adequate funding for homelessness prevention will therefore save spending across a number of Departments including Communities, Health and Justice. Where prevention has not been successful, it is also crucial that sufficient funding is provided to services aimed at alleviating homelessness.

Similarly, the in addition to the human cost, poor housing also poses a significant cost to the public purse. In 2016 the Northern Ireland Housing Executive (NIHE) reported that the cost to the NHS in dealing with 'Category 1 Hazards'³ which are deemed to equate to 'poor housing,' was £39.5 million per year.⁴ NIHE further reported that this cost to the NHS only represents 10% of total societal costs of poor housing, which are estimated to be £401million per annum.⁵

2.0 2021-22 BUDGET

Housing Rights welcomes the funding allocations in the draft budget to:

- Allow the continuation of co-ownership in the coming year
- Extend the welfare reform mitigations and close the loopholes in the existing arrangements regarding the bedroom tax and the benefit cap
- Meet the Department's new social house building targets of 1,900 units in 2021-22
- Continue to fund shared housing

¹ [Homelessness in Northern Ireland Full Report 0.pdf \(niauditoffice.gov.uk\)](#)

² "Calculating the cost of homelessness in Northern Ireland? A desk-based study of the range of costs relating to homelessness" Fiona Boyle, 2015

³ These include excess cold, damp & mould, and falls on stairs

⁴ <https://www.nihe.gov.uk/Documents/Research/HCS-2016-Additional-Reports/The-cost-of-poor-housing-in-Northern-Ireland-2016.aspx>

⁵ <https://www.nihe.gov.uk/Documents/Research/HCS-2016-Additional-Reports/The-cost-of-poor-housing-in-Northern-Ireland-2016.aspx>

However, Housing Rights is deeply concerned about the following areas in which sufficient funding has not been allocated. Our information is based on the Departments' Equality Impact Assessment and from Departmental briefings to the Communities Committee.⁶

3.0 HOUSING TRANSFORMATION

Housing Rights notes with concern that the Department has received no allocation for Housing Transformation in the draft budget for 2021-22 and that this will “delay the progression of the NI Housing Executive’s revitalisation programme to secure the long-term future of NI Housing Executive’s social housing stock for future generations and ensure that sufficient social houses are available to meet demand.”⁷ Housing Rights is particularly concerned about the impact this will have on many thousands of households who are living in poor housing conditions which urgently require investment to be brought up to the required standard.⁸ Additionally, the failure to engage in transformation to enable additional social homes to be built will impact adversely on the s75 categories outlined in the ‘Statement on Key Inequalities in Housing and Communities in Northern Ireland.’⁹

4.0 SUPPORTING PEOPLE

Housing Rights is concerned that the bids from supporting people providers have not been met in the 2021-22 budget.¹⁰ Supporting People provides important support to help people live independently. The lack of funding for this service will have significant adverse implications for a number of s75 groups, given the housing-related support Supporting People provides to groups including:

- people with a learning disability
- older people
- women at risk of domestic violence
- young people leaving care

⁶ Briefings on 28/01/2021 and 04/02/2021

⁷ <https://www.communities-ni.gov.uk/consultations/equality-impact-assessment-draft-dfc-budget-2021-2022>

⁸ The 2016 House Conditions Survey found that 60,600 social dwellings were in a state of disrepair -

<https://www.nihe.gov.uk/Documents/Research/HCS-2016-Main-Reports/HCS-Main-Report-2016.aspx>

⁹ <https://www.equalityni.org/ECNI/media/ECNI/Publications/Delivering%20Equality/HousingCommunities-KeyInequalitiesStatement.pdf>

¹⁰ Noted by DfC officials during Communities Committee briefing on 28/01/2021

5.0 HOMELESSNESS SERVICES

Housing Rights is concerned about the lack of funding for emergency accommodation to reduce numbers on the street during the pandemic, and that these urgent interventions will therefore likely reduce or stop.¹¹ This lack of funding will not only have serious implications for people who are sleeping rough, but it will also hinder the progress that has been made in terms of interdepartmental working between the Department for Communities and Department of Health, in particular through the Memorandum of Understanding under which people sleeping rough have been provided with temporary accommodation during the pandemic, regardless of their immigration status. The majority of those have been accommodated under this MoU are people from abroad and the lack of funding will therefore have a particular impact on certain racial groups under s75. In Housing Rights' experience, the majority of people sleeping rough who we have supported are single men, it therefore seems likely that this group will be disproportionately impacted by the lack of funding.

Housing Rights is also concerned about the lack of funding for Housing First in 2021-22.¹² Housing First provides crucial support to enable chronically homeless people to sustain a long-term tenancy by providing housing first, and then building multi-agency services and intensive wrap-arounds support. Housing First is an important aspect of the NIHE Chronic Homelessness Action Plan¹³ and the lack of funding for Housing First will again have a particular impact on single men who, based on our clients' experience, are more likely to be sleeping rough.

Similarly Housing Rights notes with concern that the £8.4m EU exit bid to support homelessness and vulnerable households has not been met.¹⁴

6.0 WELFARE REFORM MITIGATIONS

As Co-conveners of the Cliff Edge Coalition, we strongly welcome the allocation of funding to extend the existing welfare reform mitigations and to close loopholes which have left thousands unprotected from the bedroom tax and benefit cap. However, we echo the coalition's concern regarding the lack of funding provided in the budget to strengthen the welfare reform mitigations to address new challenges including:

¹¹ Noted by DfC officials during Communities Committee briefing on 28/01/2021

¹² Noted by Committee Member during Communities Committee on 04/02/2021

¹³ <https://www.nihe.gov.uk/Documents/Supporting-Documents/RS-246-02-19-Chronic-Homelessness-Action-Plan-ACCE.aspx>

¹⁴ Noted by DfC officials during Communities Committee briefing on 28/01/2021

- **The Universal Credit 5 week wait** which has consistently been linked to hardship, debt¹⁵ and an increased reliance on foodbanks.¹⁶ Failure to strengthen the mitigations in this regard is likely to have a disproportionate impact on women who are more likely to be social security claimants.¹⁷
- **The two-child limit** under which affected families are losing an average of £2,780 per child per year. This policy has a disproportionate impact on families in Northern Ireland given the larger than average family size here.¹⁸ Failure to mitigate this policy will have a disproportionate impact on women, children, and people with dependents.
- **Cuts to housing benefits in the private rented sector** over the past decade, which have made it increasingly difficult for low-income private renters to find and keep their home.¹⁹ Failure to strengthen the mitigations to protect this group will have a particular impact on a number of s75 groups including young people, women and people with dependents as outlined below.

We therefore echo the Coalition's call for funding to be secured in order to strengthen the mitigations package, particularly given the commitment to do so in the New Decade New Approach deal.

6.1 Universal Credit Staffing

Housing Rights is also deeply concerned about the lack of funding to deal with the increased Universal Credit caseload which has doubled since the beginning of the pandemic, and which is expected to increase further when the furlough scheme comes to an end.²⁰ We are concerned about the Department's prediction that this could lead to a 6 or 7 week waiting period for initial UC payments, given the abovementioned issues that already exist due to the 5 week wait which would likely be exacerbated. Again this will have a particular impact on women who are more likely to be social security claimants than men.²¹

¹⁵R.Patrick, M.Simpson '[Universal Credit Could Be A Lifeline to People in Northern Ireland, but it must be designed with people who use it](#)' (June 2020) p.13.

¹⁶ Trussell Trust '[Five Weeks Too Long](#)' (September 2019).

¹⁷ Northern Ireland Benefits Statistics Summary August 2020

¹⁸ Institute for Fiscal Studies, 'Living standards, poverty and inequality in the UK' (2017)

¹⁹ The impact of these cuts is evidenced in the fact that there are significantly more households at-risk-of-poverty after housing costs in the private rented sector (PRS) in NI than in the social rented sector, and the fact that loss of rented accommodation has consistently been among the top causes of homelessness in NI

(https://www.niauditoffice.gov.uk/sites/niao/files/media-files/Homelessness%20in%20Northern%20Ireland%20Full%20Report_0.pdf)

²⁰ <https://www.communities-ni.gov.uk/consultations/equality-impact-assessment-draft-dfc-budget-2021-2022>

²¹ Northern Ireland Benefits Statistics Summary August 2020

In terms of the timely and accurate payment of Universal Credit Housing Costs, Housing Rights is particularly concerned about the impact that the lack of adequate staffing will have on private renters. Most private landlords in Northern Ireland only own one or two properties and are therefore much less likely to be able and willing to withstand arrears than social landlords.²² Furthermore, the pandemic has had a disproportionate impact on private renters. Indeed, between March and August 2020 there were over 10,140 new claims for UC Housing Costs from PRS tenants (compared to 4,940 new claims from social tenants).²³ Housing Rights anticipates that we will see a similar trend, in terms of the disproportionate impact on PRS tenants, with the end of the job retention scheme in April 2021. The lack of funding for UC staff is therefore likely to have an adverse impact on the young people and single parents who are more likely to be living in the PRS and relying on UC Housing Costs as detailed in s7.0 below.

6.2 Independent advice

The lack of funding for UC staff, alongside the lack of funding to strengthen the mitigations package, make the £1.5m cut to independent advice in the draft budget even more alarming. Housing Rights' client experience highlights the complexities of navigating social security systems such as Universal Credit. We believe independent expert advice to support people in this process is crucial to ensure everyone can access all of the support that may be available to them. We welcome the Minister for Communities' commitment to ensuring people will not be denied access to advice support services,²⁴ and we urge the Department to ensure this funding is secured. Failure to do so will have a particular impact on women who are more likely to be security claimants than men.²⁵

7.0 SUPPORT FOR LOW INCOME PRIVATE RENTERS

As Co-convenors of the Cliff Edge Coalition, Housing Rights has been calling for a strengthened package to include protection for low-income private renters impacted by cuts to housing benefits²⁶ over the past decade, paid at the Local Housing Allowance (LHA) rate. The impact of these cuts is evidenced in the fact that there are significantly more households at-risk-of-poverty after housing costs in the private rented sector (PRS) in NI than in the social rented sector,²⁷ and the fact that loss of rented accommodation has consistently been among

²² According to the Department for Communities' Landlord Registration Scheme, 84% of private landlords in Northern Ireland own 1 or 2 properties

²³ Statistics based on <https://www.communities-ni.gov.uk/articles/universal-credit-statistics>

²⁴ <https://www.communities-ni.gov.uk/news/hargey-resources-will-be-targeted-those-most-need>

²⁵ Northern Ireland Benefits Statistics Summary August 2020

²⁶ Housing benefits here refers both to Housing Benefit and Universal Credit Housing Costs

²⁷ https://www.nerinstitute.net/sites/default/files/research/2019/neri_working_paper_housing_final.pdf

the top causes of homelessness in NI.²⁸ **We there therefore extremely concerned about the lack of budget to strengthen the welfare mitigations package to protect low-income private renters.**

7.1 Household composition in the private rented sector

The PRS in NI has grown significantly from 8% of all households in 2003 to 19% in 2019.²⁹ This has been driven by an increase in young people and single parent households living in the PRS, many of whom rely on housing benefits and are therefore impacted by cuts to the LHA rate. Given the Department for Communities' proposal to enable the NIHE to discharge its duty to homeless households by placing them in the PRS,³⁰ there will likely be a further increase in the number of low-income households relying on this sector to provide them with a home in the coming years.

7.2 Impact of COVID-19

Housing Rights is particularly concerned about the lack of funding to strengthen the mitigations package to protect low-income private renters given the disproportionate impact of COVID-19 on Housing Rights' PRS clients. Indeed, at the onset of the crisis almost three quarters of the COVID-19 related calls to Housing Rights' Helpline were from people living in the PRS, with affordability being one of the key issues raised.

Whilst a welcome step was taken in response to the COVID-19 crisis to restore the LHA rate to cover the cheapest 30% of market rents, there continues to be a significant shortfall for many between their rent and the amount of housing benefits they receive.³¹ Furthermore, while rents are increasing in the PRS,³² the LHA rate will be frozen from April 2021. This means that shortfalls between rent and housing benefits will increase further.

7.3 Impact on s75 groups

In terms of the Equality Impact Assessment, Housing Rights are particularly concerned about the adverse impact of this decision on three s75 groups; persons of different age (given the impact on young people under the age of

²⁸ https://www.niauditoffice.gov.uk/sites/niao/files/media-files/Homelessness%20in%20Northern%20Ireland%20Full%20Report_0.pdf

²⁹ <https://www.communities-ni.gov.uk/system/files/publications/communities/frs-201819.pdf>

³⁰ <https://www.communities-ni.gov.uk/sites/default/files/consultations/communities/dfc-fundamental-review-social-housing-allocations-consultation-outcome-report.pdf>

³¹ Housing Rights have estimated this shortfall to be over £75 per month.

³² <https://insights.propertypal.com/flash-commentary/>

35), persons with dependents and women (given the impact on single parents, 90% of whom are female).

7.3.1 Persons of different ages: Impact on young people

The proportion of young people living in the private rented sector has increased significantly over recent years with 41% of young people aged 25- 34 living in the PRS by 2019 (compared to 18% in 2003).³³ Over half of those employed in the gig economy are under 35³⁴ and young workers are more likely to be employed in sectors which have been affected by job loss or reduced hours as a result of Covid-19.³⁵ This group are therefore more likely to be relying on housing benefits to pay their rent. Furthermore, young people are impacted by one of the most acute LHA cuts, the Shared Accommodation Rate. This means that single people under 35 living in the PRS are usually only entitled to housing benefits to cover a single room in a shared property. Those living alone therefore face a significant shortfall between their rent and the amount of housing benefits they receive.³⁶

7.3.2 Persons with dependents and women: Impact on single parents

Single parents (90% of whom are female) are also disproportionately impacted by cuts to the LHA rate. By 2019, 45% of single parent households were living in the PRS (compared to 23% in 2003).³⁷ Single parent households are more likely to be impacted by poverty and are therefore more likely to be in need of support to pay for their housing costs.³⁸ Furthermore, women with children have been disproportionately affected by reduced hours and earnings as a result of the pandemic.³⁹ Single parents are also more likely to live in 2-bedroom properties and the rents for these types of properties have increased disproportionately from other types of properties,⁴⁰ particularly at the lower end of the market, which would be the properties which low income single parent households are more likely to occupy. This suggests that single parent

³³ <https://www.communities-ni.gov.uk/system/files/publications/communities/frs-201819.pdf>

³⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/687553/The_characteristics_of_those_in_the_gig_economy.pdf

³⁵ J Buchanan, PropertyPal (2020) analysis of ONS Business Impact of Covid-19 Survey

³⁶ Of the 4,872 households entitled to the shared accommodation rate in 2017, the majority were actually living in one-bedroom properties - <https://www.nihe.gov.uk/Documents/Research/Welfare-reform-BRMA/northern-ireland-broad-rental-market-areas-scoping.aspx>

³⁷ There was a corresponding decrease in the proportion of single parent households living in the social rented sector from (from 52% in 2003 to 34% in 2019) - Family Resource Survey 2019

³⁸ Whilst people living in single parent households make up around 9% of the population, they are over-represented in households below the poverty threshold (after housing costs) – 17% of individuals in poverty are living in single parent households. <https://www.communities-ni.gov.uk/publications/households-below-average-income-northern-ireland-201819>

³⁹ NERI blog post August 2020

<https://www.nerinstitute.net/blog/womens-livelihoods-must-not-be-sacrificed-after-lockdown>

⁴⁰ <https://www.housingrights.org.uk/sites/default/files/policydocs/Falling%20Behind%20LHA%20full%20research%20Oct%202019.pdf>

households will be more adversely affected by any cuts to the LHA rates, and failure to provide additional support to low-income private renters.

8.0 Conclusion

The COVID-19 pandemic has brought into even sharper focus the importance of having a secure home, and the negative impact of living in insecure housing and/or becoming homeless. **The need for services to prevent and alleviate homelessness and ensure people are adequately housed is increasingly important, particularly in the context of the pandemic and its aftermath.** Housing Rights therefore strongly recommends that the Departments secures and allocates sufficient funding in each of the areas outlined in this response.

Housing Rights are grateful for the opportunity to respond to this consultation. For further information on this submission, please contact Housing Rights' Policy Officer, Kerry Logan at kerry@housingrights.org.uk.