

Consultation response on the 2021-22 Draft Budget

By the Chartered Institute of Housing Northern Ireland

This is a response to the consultation by the Department of Finance on the 21-22 Draft Budget

Due to the outbreak of coronavirus and the subsequent impact on the global economy, notwithstanding the UK's exit from the European Union, CIH recognises the bleak financial position, as reflected by the 21/22 draft budget, facing statutory departments and their ability to deliver services. As we begin to recover from the coronavirus pandemic, it is our firm view that social justice should be at the heart of the 21/22 budget, by ensuring funding is appropriately targeted at those sectors and groups in greatest need.

CIH welcomes the proposed capital allocation (£224.8m net capital) which will allow the Department for Communities to meet its statutory obligations, including much needed housing disabled adaptations, and most notably a commitment to meet its new social housing building target of 1,900 units in 21/22. However, with the costs of construction increasing and additional requirements on social housing providers to meet higher standards within their properties, this allocation should be considered an earnest payment ahead of a much more ambitious funding programme that seeks to tackle the ever-increasing shortage of social housing supply.

As part of our Rethinking Social Housing: The Next Steps [report](#), launched in September 2020, one of our 12 recommendations included the piloting of additional intermediate rental products to meet the housing needs of people locked out of home ownership within the general market. Therefore, we are pleased to see the £38.8m allocation of Financial Transactions Capital, a funding stream that will support additional intermediate housing in future years, while allowing the continuation of co-ownership affordable housing in 21/22. This is in line with the minister's commitment that funding streams be maximised to meet intermediate housing shortages, and that a binary choice between investment in social and intermediate housing need not have to be made.

As previously stated, CIH welcomes that budget allocations have been made to ensure this year's social housing building targets are met. Given the constraints on the 21/22 draft budget, it is vital that budgetary decisions are made that not only fill immediate gaps but boost the economy as we recover from the covid-19 pandemic. It is our firm view that investing in new social and affordable homes would deliver substantial local economic benefits, including safeguarding and creating jobs in the construction and associated industries.

Budgetary allocations should fund services that help people that need it the most. It is the view of CIH that government departments should prioritise investing in, and developing, preventative public policy measures to alleviate pressures on services in the long-term. We are concerned that Supporting People (SP) services have seen no increase in funding over the previous ten years, amounting to a real terms cut of 20 per cent.

It is crucial that SP services, commissioned by the Housing Executive and delivered through public and voluntary organisations, are properly funded to ensure their existence and maximise their impact. [Analysis](#) carried out by NICVA's Economic Centre for Empowerment previously highlighted that for every £1 spent on SP services, it saves the public purse £1.90. A failure to increase SP funding would adversely impact the vulnerable client group it supports and be a missed opportunity to reduce the burden on public finances.

CIH is concerned that the draft budget sees Northern Ireland's independent advice sector potentially losing £1.5m in funding. The advice sector plays a vital role in helping claimants navigate the complexities of our social security system, and in light of the pandemic and the impact on our jobs market, many individuals who have found themselves without employment are trying to navigate the system for the first time.



Obstacles preventing claimants receiving accurate welfare payments without delay can jeopardise tenancies and increase the risk of homelessness. Given the increased claimant count across Northern Ireland, adequately funded advice services must be prioritised; it is vital that the £1.5m in funding for the independent advice sector be included as part of the final budget allocation.

Similarly, it is worrisome that the draft budget has failed to provide the necessary funding for the increased staff required to process social security payments. As a result, departmental plans to recruit 900 staff to deal with the 126 per cent increase in universal credit (UC) claims have been put on hold; this will have a devastating impact on those claimants awaiting payment.

The current five-week wait for UC is already unacceptable, and the failure to put in place the appropriate number of personnel to process this sizeable increase will result in waiting times of six to seven weeks, as clarified by departmental officials presenting before the communities committee on 4 February 2021. This will have a particularly detrimental affect on those who rely on the housing element of UC to cover their housing costs, most notably tenants who rent privately. Unless this bid is met, the risk of tenancy breakdown, evictions and homelessness are significantly increased.

About CIH

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple - to provide housing professionals and their organisations with the advice, support, and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20

countries on five continents across the world. Further information is available at:
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