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CIH Northern Ireland response to the equality impact assessment on the Department for Communities' budget 2024-25

General comments

The Department for Communities' (DfC) recent budget proposals and accompanying equality impact assessment (EQIA) raise critical concerns for social housing provision in Northern Ireland. We appreciate the department's efforts in conducting the EQIA and recognise the need to operate within the allocated budget. However, the capital departmental expenditure limit (DEL) allocation itself is grossly insufficient, even within the challenging context of the Northern Ireland Executive Budget 2024-25.

The DfC capital DEL allocation stood at £133.4 million - a drastic £82.7 million less than the previous year's £216.1 million. This represents not only the largest cut in quantum terms of any department, but also the steepest percentage cut at a concerning 38.3 per cent. We understand the challenging financial climate, but when placed alongside historical DfC practice of allocating almost all capital DEL to new build social housing after meeting statutory obligations, it becomes clear this allocation disproportionately disadvantages those who rely on social housing.

If the NI Executive Budget 2024-25 prioritises core public services, then the adverse decision to exclude social housing from this category is a concerning omission. Furthermore, the Executive's decision to not pursue certain revenue-raising measures exacerbates the overall position.

This lack of investment in social housing new builds adds to a wider problem. The overall number of new homes constructed in 2023-24, at only 5,418, marks a ten-year low, falling short of even conservative estimates of need. This growing gap between housing supply and demand inevitably pushes up prices, making finding affordable housing a struggle for many.

Moreover, a severe reduction in social housing options will likely lead to a greater reliance on expensive, non-traditional temporary accommodation like hotels and bed and breakfasts. This approach not only negatively impacts the well-being of those in need, but also places a greater burden on public finances compared to the cost-effectiveness of social housing.

The decision to cut back on social housing construction will not only impact those in need of affordable housing, but also have a detrimental effect on the local construction sector. A reduced supply chain could impact on skilled workers. The housing sector is committed to working hard to maintain strong relationships with the construction sector to ensure sustainability of the industry.

The assessment by the Northern Ireland Housing Executive (NIHE) reveals the depth of the impact on those in need. As outlined in its EQIA response, even with an additional £20 million allocated through the June monitoring round, only 417 new social housing starts are anticipated in 2024-25. This falls significantly short of projected need, representing a concerning reduction in NIHE's ability to address

the escalating housing crisis. The impact is not just on numbers but on the lives of the most vulnerable people. Older people are more likely to face fuel poverty due to the reduced affordable warmth scheme, people with disabilities will struggle to find suitable accommodation, and people who are homeless will be more exposed to the risks of living without stable housing and support.

We urge the Northern Ireland Executive to reconsider its budget allocation for social housing and prioritise allocating additional funding through the upcoming monitoring rounds. Additionally, going forward we strongly recommend conducting a comprehensive strategic EQIA and finalising the Programme for Government (PfG) to ensure a more strategic and equitable approach to budgeting.

QUESTION 1: Are there any data, needs or issues in relation to any of the Section 75 equality categories that have not been identified in Section 6 of the EQIA consultation document? If so, what are they and can you provide details?

The EQIA rightly identifies the need for additional support in housing supply for specific groups. Strengthening this understanding with more recent data (after 2020) to reflect emerging needs during the cost of living crisis would be particularly valuable, although we are not aware of such data being readily available. This could shed light on the current shortfalls in supporting housing for older people, women at risk of domestic violence, people with disabilities, and homeless people who experience addiction. This data is important for effective resource allocation and ensuring equitable access to safe and secure housing.

QUESTION 2: Are there any adverse impacts in relation to any of the Section 75 equality groups that have not been identified in section 7 of the EQIA Consultation document? If so, what are they?

The EQIA acknowledges the negative impact of reduced capital funding on social housing waiting lists. We would like to emphasise the potential for this impact to be disproportionate, particularly for people from a Roman Catholic community background and those from other religious groups. As highlighted in the document, spatial segregation and changing demographics can exacerbate existing inequalities. To fully understand the potential impact of budget decisions on different religious communities, a more nuanced analysis is needed that considers the interplay between the new unlimited housing area allocations policy and its potential effect on existing patterns of segregation. This in turn demonstrates the importance of ensuring the Fundamental Review of Allocations project is funded.

QUESTION 3. Please state what action you think could be taken to reduce or eliminate any adverse impacts in allocation of the Department's budget.

The EQIA recognises the vital role played by NIHE in tackling homelessness and delivering the supporting people (SP) programme. We welcome the minister's commitment to avoid cuts to baseline homelessness funding, demonstrating an understanding of NIHE budgetary constraints, alongside a modest but positive £4.8 million uplift for SP.

However, it's important to acknowledge the realities of a constrained budget environment. While these measures offer some support, they fall short of need considering rising demand and costs associated with these vital programmes. As

NIHE has highlighted in its EQIA response, this will likely have several operational impacts, including:

- **Potential service cuts or reduction in services.** This could affect vital support for those on the housing waiting list, including vulnerable groups.
- **Closure or reduction of the out-of-hours service.** This would leave vulnerable individuals without essential support outside of normal operating hours.
- **Halt to the Fundamental Review of Allocations.** This could delay much-needed reforms to the social housing allocation system, perpetuating existing inequalities.

To effectively reduce adverse impacts, we urge the department to:

- **Prioritise securing additional funding during the monitoring rounds.** This is critical to address the dire shortfall in capital funding for new build social housing and ensure adequate support for homelessness services.
- **Collaborate with NIHE to mitigate impacts on vulnerable people.** We acknowledge the department's commitment to work closely with NIHE to monitor the service impacts arising from the cuts.
- **Promote energy efficiency measures in existing social housing stock.** This could help reduce fuel poverty and lower energy bills for tenants, particularly benefitting older people and those with disabilities.

Additionally, we would strongly support a move towards multi-year budgets or multi-annual funding commitments, acknowledging the potential for improved strategic planning and investment in social housing.

QUESTION 4. Are there any other comments you would like to make in regard to this pro forma or the consultation process generally?

The departmental EQIA is a positive process, but a strategic assessment of the entire budget is crucial. Section 75 of the NI Act 1998 demands this broader

analysis, especially considering potential cumulative impacts across different sectors. Departmental cuts, on their own, may not reveal how disadvantaged groups are disproportionately affected. A comprehensive strategic EQIA, as advocated by the Equality Commission for Northern Ireland, would provide a holistic view and allow informed mitigation of potential inequalities. Departmental consultations are valuable, but without the bigger picture, true equality of opportunity remains at risk. Going forward we urge the Department of Finance to prioritise a full strategic EQIA to safeguard vulnerable citizens and promote true equality.

We are also disappointed that the proposed budget allocations were made without a finalised PfG. The PfG should be the cornerstone for strategic decision-making within the budgetary process. It should clearly outline the NI Executive's public service priorities, including a standalone housing outcome reflecting its unequivocal importance. Furthermore, a PfG would identify areas targeted for transformation. The current lack of a PfG creates a strategic vacuum, leaving budgetary allocations without a clear rationale or alignment with overarching priorities. We echo the repeated calls from the NI Assembly's Public Accounts Committee, supported by the NI Fiscal Council, for a stronger connection between the PfG and budget processes. A more joined-up approach to budgeting, with clearer strategic direction, is essential to ensure funding allocation aligns with the planned outcomes detailed under a finalised PfG.

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