



Submission Consultation on Department for Communities Budget 2024-25 Allocations

July 2024

homelessconnect.org

Homeless Connect Response to Consultation on the Department for Communities Budget 2024-5 Allocations

Introduction

1. Homeless Connect has been working to prevent and alleviate homelessness in Northern Ireland since 1983. As a membership body, we represent organisations working with people experiencing homelessness or at risk of becoming homeless and provide direct support to service users through our projects.¹ The following response is made on behalf of Homeless Connect as an organisation. It has been informed by input from members of our public policy forum.

The Overall Budget Allocations

2. Before coming to the specific questions set out in the consultation, **Homeless Connect want to outline our deep and grave concerns about the budgetary allocations for 2024/5.** As is manifestly obvious from the contents of the Equality Impact Assessment (EQIA), the budget for the Department of Communities (DfC) is insufficient to meet the demands placed on the Department. This is the case for both the resource and capital budgets.

3. In terms of the non-ringfenced resource budget, the NI Fiscal Council outlines that the Department's opening resource budget has fallen by 0.6% in cash terms compared to the initial budget provided in 2023/4 by the Secretary of State, a drop of £6 million. This further does not factor in the impact of inflation.² The fact that in the initial budget allocations DfC received the second worst outcome out of the Executive Departments in terms of bids for non-earmarked items, receiving only 10% of what they bid for- £13 million out of £130 million- highlights how brutal the budget settlement was for DfC³

4. The initial allocation to the non-ringfenced resource budget is in and of itself deeply concerning. The capital budget allocation and the concomitant impact on the Social Housing Development Programme makes matters considerably worse. According to the NI Fiscal Council, the DfC Capital budget is being cut by 38.2% in 2024/5 compared to 2023/4.⁴ In cash terms, this is a fall of £83 million. The fall in the capital budget for 2024/5 for DfC was by some margin the biggest cut in both cash and percentage terms faced by any Department when it came to capital budgets.

5. On Monday 1 July, the Minister for Finance published the details of the allocation of additional funding made available through the June monitoring round.⁵ This did see additional funding provided for the DfC capital budget through an additional £30 million in funding and a technical adjustment of £27.3 million to bring the capital budget up to £190.7 million. The initial budget allocations would have led to 38.2% cut to the DfC capital budget feeding through to a 27% cut in funding for the Social Housing Development Programme (SHDP) when compared to 2023/4. With the June monitoring round, these figures now come to a fall of 11.7% in the capital budget (a fall in cash terms of around £25 million) and a fall of 14.5% in the value of the SHDP (a fall in cash terms of around £23 million).⁶ These cuts do not account for the significant impact of inflation.

6. Even with the welcome additional funding provided in the June monitoring round, the consequences of this allocation for the provision of new starts for social housing remain nothing short of devastating. It is recognised that the Minister for Communities has sought to provide as much funding as possible to the SHDP in his allocation of capital funding, but with a cut of this size there are limits on what any Minister can do to ameliorate the damage.

7. Due to the need to provide funding to complete social homes which are currently under construction, the Department only has £35 million to spend on provision for new starts in 2024/5. This will generate a fall in the number of new starts from 1508 in 2023/4 to up to 600 in 2024/5.⁷ If 600 social housing new starts were recorded in 2024/5, this would be a fall of 60% on the previous year. The real fall may be even further than that, as at the time of writing considerable uncertainty remains around whether the level of grant will actually cover that number of new starts.⁸

8. It is important to be clear that the number of new starts falling to up to 600 means that the Department will only be able to meet up to 30% of the target it had set for social home new starts in 2024/5.⁹ The draft Housing Supply Strategy envisaged a target of building 100,000 homes over fifteen years. This included an ambition for a third of these houses to be social homes.¹⁰ This target was an evidence based one, focused on the level of projected level of housing need for this society over the next fifteen years. While there are sound arguments to argue that the target should be higher than 100,000, it is acknowledged that there was an understandable rationale behind the figure.

9. To achieve the goal of building over 33,300 social homes over fifteen years would require the Department to fund around 2,200 new social housing starts each year. As it requires time to build up capacity to build this number of houses, the Department had planned to gradually

increase the number of starts over time.¹¹ To only be able to start up to 600 social homes in 2024/5 makes achieving the target even harder. An average of around 2,335 social housing new starts would be required over each of the next fourteen years for the target to be met. It also has to be realised that you cannot simply turn on the capacity to build this substantial number of houses like a tap. Even if the finance was able to be identified in future years- which at this point is unknown- it would take time to rebuild capacity. Consequently, it looks like **it will be very challenging for the Department to meet the target of a third of the 100,000 homes being social homes.**

10. The most important point to understand however is the impact this will have on households on the Social Housing Waiting List (SHWL). As is well known, there has been a considerable growth in the number of households who are currently on the SHWL. The number of households on the list- and the level of need they have- has been relentlessly growing over recent years. Over the last decade, there has been an 18% increase in the number of households on the social housing waiting list to now stand at 47,312; a 64% increase in the number of households in housing stress on the list to now stand at 35,564; and a remarkable 133% increase in the number of households with homelessness status (Full Duty Applicants for the purposes of the Housing (NI) Order 1988) up to 28,614 on 31 December 2023. In 2014, 30.7% of households on the waiting list had homelessness status. This had risen to over 60% of households by 2024.¹²

11. The impact of the fall in the number of social housing new starts will not be felt immediately. However, **it will inevitably constrict the supply of social housing available in coming years, piling more and more pressure on an already fragile housing system.** It is a simple fact that you cannot prevent homelessness without an adequate supply of affordable housing. It is already manifestly obvious that there are not enough social homes in the system for those who need them currently. This cut will only widen the gap between need and supply. It will lead to longer and longer waiting lists with more and more people living with the anxiety and uncertainty of housing instability.

12. It is also worth pausing to highlight the major challenges facing the Housing Executive regarding provision of temporary accommodation. The number of households living in temporary accommodation has increased by 132% over the last five years to stand at 4,784.¹³ The number of children living in such accommodation has increased to 5,106, an increase of 111% over the same period.¹⁴ **These figures are unprecedented for this society** and the level of need for temporary accommodation is placing enormous pressure on the budget of the Housing Executive. In 2023/4, the Housing Executive spent £34.395 million on provision of temporary accommodation for households in private single lets and non-

standard B&B and Hotel accommodation.¹⁵ This is a staggering increase of 495% on the amount spent five years before. This does not include the funding given to voluntary sector hostels providing accommodation to people experiencing homelessness who are funded through the Supporting People programme.¹⁶

13. Provision of social housing is a key way to reduce the number of households in temporary accommodation. As the EQIA document acknowledges, “around 70% of those leaving temporary accommodation move on to permanent social housing. The time spent in temporary accommodation is getting longer, the average time is now 8 months. For single lets the average time is now close to two years.”¹⁷ Constricting supply of social housing will lengthen the amount of time households find themselves in temporary accommodation and consequently the cost imposed on the Housing Executive who have a legal duty to provide temporary accommodation to all households with homelessness status who need it.

14. Speaking more widely, provision of social housing is also vitally important in reducing and alleviating poverty. As should be obvious, housing costs are a significant contributor to poverty. Social historian John Boughton has noted that “social housing... arose from the duty of the state to house its people well even as the market proved unable or unwilling to do so... We need its investment to provide the safe, secure and affordable housing for all that the market never will.”¹⁸ It is particularly for those at the bottom of the income spectrum that social housing provision is so crucial. The Department continues at the time of writing in its consideration of an anti-poverty strategy and has as a central objective the alleviation of poverty. Failure to invest in social housing will compound the difficulties faced by the Department in seeking to respond to poverty.

15. According to the NI Fiscal Council, the fall in the capital budget in 2024/5 for the Executive as a whole came to around 7-8% in 2024/5.¹⁹ The June monitoring round will have reduced this fall somewhat. At the time of writing, it has not been made clear why the capital budget of the Department for Communities received a cut of this magnitude. The only remarks made thus far in public by Ministers highlight- accurately- the generally parlous state of the budget facing the Assembly. For example, the Finance Minister, Dr Caoimhe Archibald MLA outlining on the floor of the Assembly that: “we are all aware that over a decade of austerity and cuts has been hugely damaging for our public services and for workers, families and communities here. It is clear that all Departments are under significant financial pressure. That was evidenced by the fact that, in terms of departmental resource bids, there were three times as many asks as there was funding available”.²⁰ However, the public comments of ministers shine very little light on the specific rationale behind the allocations given to each Department.

16. It is, however, perhaps appropriate to note comments made to the Finance Committee by Joanne McBurney, Director of Public Spending at the Department of Finance, on 1 May when she discussed the budget process before the budget was published. She was asked by the Committee Chair, the Leader of the Opposition Matthew O'Toole MLA: "Would it have been easier to do this budget with a programme for government, or at least an outline or indicative programme for government?" Ms McBurney replied that: "I think the budget would have been challenging with or without a PFG. **What the PFG would have done would have been set out the Executive's priorities. But we have tried as far as possible to take those priorities into account.** For example, childcare is obviously something that the executive has expressed the priority in funding assistance set aside for that. We've also honoured previous priorities in terms of welfare mitigations, HIA victims, etcetera."²¹ This implies that Budget allocations were made on the basis of Executive priorities. **The logical inference to draw from the budget allocations is that provision of social housing is not a priority for the Executive in 2024/5.**

17. There may be a belief in some quarters that the private sector can pick up the slack in the provision of social housing or that other funding sources, such as Financial Transactions Capital (FTC), may be able to help meet demand. As the draft Housing Supply Strategy outlines, some policy and regulatory changes may help to boost housing supply in the private sector. In spite of significant practical hurdles, we are aware of some innovative uses of FTC to provide move-on accommodation for households living in temporary accommodation.²² However, these measures will simply not measure up to the scale of house building that we need, especially for social housing.

18. The limitations of the use of FTC in comparison to grant funding also has to be understood. FTC funding is a low interest loan which can only be made to private sector organisations. From the perspective of housing associations, who are currently the organisations who will fund and build social housing, using a loan made through FTC for this purpose would inevitably have an impact on gearing ratios when they seek loans from the private sector. Banks will usually have lending covenants which places a cap on the gearing ratio a housing association can have. This can vary according to their risk appetite, but this is less of an issue when grant funding is involved. Using an FTC loan would raise questions of affordability both for the housing association and crucially also tenants. To make an obvious point, if a Housing Association borrows money it has to ultimately be repaid. This is as true of FTC funding to the Treasury as it is of a bank. This money will in the end come from tenants through rents. Use of more debt finance on the part of housing associations will

inevitably place upward pressure on rents. If this was to happen, it would put even more pressure on already often financially stretched households.

19. It also has to be noted that FTC is ultimately a limited funding pot. In recent years, Executive departments have found more ways to utilise this form of funding. However, our understanding is that due to its structure it is not a straightforward funding stream to access, especially for smaller organisations and that secondly there are already a wide range of schemes lined up to use FTC next year leaving less scope for its use in building social housing.

20. We are not opposed to the use of FTC as a source of funding to boost housing supply per se. It is indeed appropriate for Executive departments to explore every option to identify funding streams for capital projects. However, we are concerned about the suggestion that FTC would be used in place of grant subsidy. Due to some of the issues we have identified above, in our estimation, **FTC funding should be supplemental to grant funding provided through the Social Housing Development Programme, not a potential replacement for it.**

21. It is appreciated that this budget took place in unique circumstances following the restoration of the devolved institutions. This has led to a truncated budget process with limited space for deliberation. We are also aware that the current Executive- due to decisions taken over decades and by many different individuals and institutions- has inherited this stark situation. It is fair to describe the budget position as “extremely challenging.”²³ We do not envy the task of the current Executive in terms of the decisions it faces.

22. In tight financial circumstances, a sound principle would be to place the burden on those who are most able to shoulder it. It can be argued that this is the principle that DfC has at least given consideration to in how it has divided up the money allocated to it. This cannot be said for the Executive allocations as a whole. **The costs of these budget allocations are being placed on some of the most marginalised people living in Northern Ireland.** It is households at risk of or experiencing homelessness who will carry the costs of the inability to access affordable housing suitable to their needs. The costs of failure in the past to take the hard but necessary choices around revenue and spending have come home to roost. We are hugely concerned about what the consequences are going to be both socially and economically. We have no doubt however that the costs will be borne most by those who can least afford them.

23. It will also be the homelessness sector that exists to support this group who will carry the cost. Temporary accommodation providers are already having to deal with the fallout of a lack of suitable move-on accommodation for residents staying in their accommodation. At our recent policy forum meeting, one of the representatives working with young people at risk of homelessness reflected on the fact that in the past their service had been successful in preventing young people falling into homelessness. They reflected that the situation is such now that they feel that they are merely delaying homelessness rather than preventing it. Another service provider working in a service focused providing housing support to older people highlighted the frustrations they experience in being unable to provide the level of support which is so badly needed for people due to the difficulties with recruitment and retention.

24. It is these kind of issues which have led our member organisations to tell us that **morale in the sector has plumbed new depths in recent times.** Indeed, some experienced staff in the sector have gone so far as to tell us that they have never seen morale fall so low in their time working in the sector. Staff pay and conditions have simply not kept pace with many other sections of our economy and the sector has been under-invested in over the last decade- albeit as will be acknowledged below, we do note that the current Minister for Communities has sought to provide some additional resources to the sector here this year via the Supporting People programme (SP).

25. While our sector is every day preventing and alleviating homelessness, **the reality is that the number of people tipping over the into homelessness with all that this brings for them continues to remorselessly rise.** If we are ever going to see the number of households with homelessness status fall, the sector will require sustained levels of increased investment. Otherwise, it will not be able to provide the support which is so desperately needed by so many people living here.

26. With all of this being said, we understand that the Minister for Communities legally must consider how to implement the budget allocation he has been given. In our response to the budget allocations in 2023/4, we outlined that in our estimation, DfC have been placed in an impossible situation. The same statement is equally true of this budget allocation. Our response will focus on the elements of the EQIA document which refer to housing and homelessness as this is our area of expertise.

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?

27. We acknowledge the comprehensive list of publications considered by the Department in the development of the EQIA.²⁴ We agree with the Departments assessment of the impact of the budget allocations that “there is evidence of significant and adverse impact in respect of some section 75 categories.”²⁵ We would like to highlight three additional relevant data sources when it comes to equalities.

- a. In our response to the EQIA conducted in 2023/4, we highlighted our Staffing Challenges within the Homelessness Sector research published in September 2022.²⁶ This research includes survey evidence from 205 staff working in the homelessness sector in 2022. The survey highlights that the sector is predominantly female, with 68% of respondents stating that their gender was female compared to 30% stating that their gender was male. Additionally, in terms of background, the majority of respondents indicated that they came from a Catholic background (56.6%). 24.9% stated that they came from a Protestant background while 8.3% identified as other while 10.2% did not answer this question.²⁷ If this survey is representative of the wider homelessness sector in Northern Ireland, and we have no reason to doubt its representativeness, it would indicate that any cuts which fall on the sector would have a particularly negative impact on two section 75 categories: women and people from a Catholic background. This should be of note in consideration of the impact of the freeze on the homelessness services budget.
- b. In our view, there are two groups not listed on p58 who are also at risk of a greater adverse impact from the decision to freeze the homelessness services budget: children and ethnic minorities. In our view, **the evidence of the negative impact of living in temporary accommodation on children is not given the prominence that it deserves.** We would wish to draw the attention of officials to the research conducted by the Northern Ireland Commissioner for Children and Young People entitled “A Place to Call Home: A rights based approach to understanding the lived experience of children and families facing homelessness or housing insecurity.”²⁸ The research provides invaluable qualitative evidence from Northern Ireland of the negative impact of both housing instability and living in temporary accommodation can have on

children and young people. It reflects a wide international evidence base highlighting the impact of homelessness and living in temporary accommodation on children. This is helpfully summarised by Quilgars and Pleace: “In essence, the evidence that is available on what homelessness does to children is that it takes a range of risks to mental and physical health, including the risks of developing health issues as an adult, alongside risks to progress in education, training and successful employment and exacerbate them. The key point here is that child homelessness is often acting as an accelerant to existing systemic disadvantage, as the families who tend to experience homelessness are already poor and marginalised and they have often experienced traumatic events because of the broad association between family homelessness and domestic abuse across the Global North.”²⁹ This evidence should be considered in terms of the impact of the cut to the Social Housing Development Programme and the freeze in the homelessness services budget.

- c. Turning to people from ethnic minority backgrounds, **we are aware of some evidence which would suggest they are disproportionately impacted.** The Housing Executive recently published statistics about the constitution of the social housing waiting list in NI broken down by ethnicity.³⁰ There is some reference to this on p75 in reference to the social housing waiting list but not in the section on homelessness. We would submit it would also need to be considered regarding provision of homelessness prevention services. The statistics illustrate that households from ethnic minorities are disproportionately likely to be on the social housing waiting list. In the 2021 census, 96.55% of individuals living in NI were white. While this is not an exact read across, 90.8% of lead applicants on the social housing waiting list were white on 30 September 2023. Even accounting for the around 3% of households on the list whose ethnicity was unknown or who refused to answer the question, it is evident that a higher proportion of people from ethnic minority backgrounds are on the list when compared to their proportion of the NI population. Turning to households who have homelessness status (i.e. who have homeless status) on the list, 89.9% of lead applicants on the social housing waiting list are white. The table below illustrates the data:

Ethnic Origin	No of Applicant Households on the Waiting List	No Of Applicant Households on the Waiting List with homelessness status (FDA)	% of Total Waiting List	% FDA
Black African	834	614	1.83	2.23
Bangladeshi	34	17	0.07	0.06
Black Caribbean	30	19	0.07	0.07
Chinese	123	80	0.27	0.29
Indian	55	35	0.12	0.13
Irish Traveller	314	220	0.69	0.80
Pakistani	55	33	0.12	0.12
White	41,399	24,775	90.76	89.88
Mixed	329	200	0.72	0.73
Black Other	159	113	0.35	0.41
Other	901	689	1.98	2.50
Refused	47	28	0.10	0.10
Unknown	1,335	743	2.93	2.70
Total	45,615	27,566	100.00	100.00

In our view, due cognisance should be given to this reality in the Department’s consideration of the impact of a freeze to the homelessness services budget.

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?

28. See our comments in response to Q1.

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.

29. We note that the Impact Assessment states that "Arm's Length Bodies (ALBs) Resource Funding will be held at the Department's 2023-4 Final EQIA Budget position funding level. The Minister acknowledges that this position is not ideal and will require cost constraint by Arms Length Bodies to live within their Budget 2024-25 allocations."³¹ **We are concerned about the impact that this decision will have on the Housing Executive in particular.** While we understand why the Minister has felt that he has no other option than to take this course, the impact of this decision is to functionally impose a further cut on the Housing Executive.

30. We query whether it is the right course to simply treat all of the ALBs as equivalent in terms of their treatment in budgetary terms. In an ideal world, none of the ALBs would have their budgets frozen. All of these bodies play an important function in this society. However, as we outlined in our response to the 2023/4 EQIA on the budget allocations, we believe it is important to point out that the areas of work of the eleven ALBs and the wider work of the Department do not all address questions of fundamental human rights.

31. The right to housing is a fundamental human right which can be found in several international human rights instruments which the United Kingdom has ratified.³² For example, Article 25 of the Universal Declaration on Human Rights states the following: "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control."³³ It is unquestionably the case that access to adequate housing is a necessity to live in this society and to uphold other rights. There is a voluminous body of evidence of the impacts that a lack of adequate housing can have for a person's mental and physical health and wellbeing.³⁴ It is for the Northern Ireland Executive as a whole to uphold the right to adequate housing in practice.

32. The Housing Executive is the body which is legally responsible for responding to homelessness in Northern Ireland. Under the Housing (NI) Order 1988, they have a legal duty to provide accommodation to households who are legally assessed to be homeless or threatened with homelessness.³⁵ The Housing Executive must prioritise fulfilment of the legal duty to provide accommodation to households who need it over and above other areas of

spending. The statistics previously cited on the social housing waiting list, the number of households in need of temporary accommodation and its costs, illustrate the enormous pressure the Housing Executive is under.

33. This proposed freeze to the funding of the Housing Executive- which is in real terms a further cut beyond the 5% imposed in 2023/4 due to the impact of inflation- will only further weaken the organisation and its ability to respond to rising levels of homelessness. The vision set out in the 2022-2027 Homelessness Strategy, which was developed in collaboration with the homelessness sector here, in many aspects simply cannot be delivered due to a lack of resources.³⁶ The desire to move upstream to preventing homelessness before it happens rather than reacting to it after the fact has proven in the main impossible to implement. Tragically, **the homelessness strategy is at risk of becoming merely an aspirational dream which the Housing Executive is in practice powerless to implement due to a lack of resources.** We hasten to add that this is not what the Housing Executive desires- it is merely the effect of the budget allocation in practice.

34. The trend of short-term reactive spending on provision of temporary accommodation looks set to only continue and indeed rise in the months and years to come. Put simply, **the budget allocation set out here will highly limit the room for manoeuvre available to the Housing Executive to change approach.** The cut to social housing new starts discussed above will only add to the pressure on the Housing Executive in the medium term when it comes to temporary accommodation. We know that the Housing Executive is pursuing every option available to them to provide suitable temporary accommodation to households who need it at an affordable cost. However, there is a limit to how far this can go with the resources that are available.

35. It is with this context in mind that we question the decision to freeze the budget of the Housing Executive in 2024/5. We readily acknowledge the invaluable work of all of the ALBs and many of the programmes operated by the Department for Communities. Many of them benefit people at risk of or experiencing homelessness and the wider homelessness sector. However, in some cases, it is not credible to argue that they a central role in upholding a fundamental human right for households in Northern Ireland. Indeed, without suitable housing, people will not be able to benefit or enjoy the work of some of the ALBs or other DfC funded programmes. Consequently, **we would submit that the Department should reconsider the approach of simply imposing a blanket freeze on all eleven ALBs.**

Question 4

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

36. We note and welcome the decision of the Minister to increase support for the Voluntary and Community sector by £1.45 million on the Department's final EQIA Budget position funding level. Being a voluntary and community sector organisation, we are acutely aware of the pressures which face organisations in our sector as well as in the wider voluntary and community sector. In truth, as NICVA have cogently argued for many years, the sector as a whole remains underfunded and underappreciated especially when compared to the public and statutory sectors. As no doubt the Minister would agree, while £1.45 million is welcome, it is a long way short of what is needed to equip the sector going forward.

37. We at Homeless Connect want to acknowledge the decision that the Minister for Communities made to provide an increase in cash terms to SP. The Minister has previously described the programme as "invaluable" and "fantastic" and he has backed up these statements with an increase in funding of around 6.4%.³⁷ **The news that Supporting People will receive approximately £80.7 million in 2024/5 is indeed positive news.**³⁸ As Co-Chairs of the Committee Representing Independent Supporting People Providers (CRISPP), we have publicly acknowledged and welcomed the increase provided.³⁹

38. While there has been some relief expressed by organisations funded through SP at the news of the increase- it is acknowledged that a freeze or a cut could have been the option pursued in what is a highly challenging budgetary context- the Department and the wider Executive need to be aware of the precarity of the situation facing organisations funded through the Supporting People programme. This increase- welcome as it is- does not make up for over a decade of failures to increase the value of the programme in line with inflation.

39. Back in 2022, our CEO, Nicola McCrudden stated the following after the news of a 5.8% increase: "In future, Supporting People funding should keep up with inflationary increases. Let us learn from the past and not make the same mistakes."⁴⁰ This is the first year in over a decade that the increase provided has met the rate of inflation- indeed, to the credit of the Minister, it has exceeded it. While it does not make up for the failure of previous budgets to match the rate of inflation, it is a positive first step. We once again reiterate that it is vitally important that the value of SP must at least keep pace at inflation. Ideally, rises would seek to make up for the failure to invest in the programme for so many years after 2007/8.

Otherwise, providers will constantly face major financial challenges year on year as the impact of inflation continues to bite.

40. There were very strong reasons to provide an increase of this level in this budget allocation. In advance of the budget allocations being announced, CRISPP surveyed independent providers on the impact the increase in the minimum wage from April 1 2024 would have. The minimum wage increased for people aged 21 and over from £10.42 to £11.44. Responses were received from 23 providers across the four thematic areas covered by the programme. 91% of the providers indicated that they were concerned about the impact of the minimum wage increase on their budgets. When asked whether their organisation would be able to afford the minimum wage increase 9% indicated that they would not be able to do so while a further 26% were unsure. 96% were concerned about what the impact of a further rise in the minimum wage would be in 2025/6.⁴¹

41. A rising minimum wage is a positive thing for workers. However, cognisance needs to be given by Executive Departments to the reality of the impact of rises in the minimum wage on SP funded providers. It is a tragic reality that jobs in the sector are often paid at or very close to the minimum wage considering the level of complexity and challenge which face staff but this is where the historical lack of investment in the Supporting People programme has led us to. If the additional funding granted to the SP programme can be used to provide an uplift to staff wages this year, this will start to ameliorate the damage caused by the lack of investment in the past.

42. It should come as no surprise that the homelessness sector funded through SP continues to be in a recruitment and retention crisis. At our recent public policy forum meeting, members told us about just how difficult it is to recruit and retain staff. Some organisations have advertised roles more than ten times before being able to successfully recruit. Even when they are able to recruit, they frequently see staff only stay for a short period. Some organisations have in recent years faced staff turnover levels in excess of 30% of staff within a year. The low pay and conditions as well as the challenges which can come with working with people experiencing homelessness are in some cases putting off potential applicants to roles in the sector. This unsurprisingly impacts on the people the service is working with, as it is very difficult to build a relationship of trust with staff constantly changing in a service. The reliance on agency staff is not only more expensive for services but can also lead to more negative outcomes for people being supported when it is having to be constantly relied on.

43. Some services are now reaching the stage where they are having to leave beds empty in temporary accommodation sites because they simply do not have the staff to run at full capacity. This is especially damaging because it is happening at a time when demand for temporary accommodation is at an unprecedented high and significant sums of money are having to be spent on non-standard accommodation due to the level of demand. Additionally, some services are now only accepting residents with lower support needs because they simply do not have the staff to effectively support people with complex needs. This practice will in turn only increase the pressure on the Housing Executive when it comes to housing individuals with complex needs around addiction and mental health needs.

44. These kinds of issues can only be resolved through sustained and consistent investment in homelessness services. The increase in SP this year is a first positive step in the right direction and it is appreciated just how challenging a budget the Department faced this year. **In the years to come- especially if a multi-year budget is forthcoming- this level of additional investment in the programme will need to be sustained.**

45. We note the statement outlined in the EQIA document that “whilst a priority, the Minister acknowledges and deeply regrets that this position is far from ideal, given the challenges of both increasing demand and costs. However, given the Department’s heavily constrained financial position no additional for homelessness can be provided at this time. This position will continue to be closely monitored throughout 2024-5.” Later in the document, the following is outlined: “While the Department’s 2023-24 Homelessness Budget allocation was £31.4m, a £44.5m requirement on Homelessness is forecast for 2024-25. The Homelessness budget includes around £7.2m for basic prevention and non-accommodation vital services for voluntary and community sector partners such as the Welcome Centre Street outreach, Simon Community, East Belfast Mission, Salvation Army, Extern and De Paul. The remainder is used for Temporary Accommodation. The Department has been working with the NI Housing Executive to control spend on Temporary Accommodation. While use of Temporary Accommodation has increased significantly since 2020, there are now also an increasing number of households, many large and complex, entering the Homelessness system after being granted asylum. There is a statutory duty to provide accommodation for a household that meets the four tests for Full Duty Assistance (FDA), and the NIHE then has to pay for accommodation if required. The nature of this Duty means that the NIHE will prioritise funding for it, and focus saving on the third sector/ voluntary and community sector groups, in particular longer term preventative work.”⁴²

46. We are deeply concerned about what the consequences of the freeze in the homelessness services budget may be both for people experiencing homelessness

and for organisations funded through it. We have a structural point to make as well as a comment on what the impact of this may be. Before coming to that, it needs to be acknowledged that Homeless Connect receives core funding through the Homelessness Services budget. Several of our member organisations also receive funding through this budget for a variety of services/projects.

47. Our structural point about this budget relates to how its structure does not lend itself to the best use of resources. Historically, prevention and non-accommodation vital services have been funded out of the same funding pot as temporary accommodation provision in the private sector. Before the advent of Covid-19, spending on temporary accommodation in the private sector had been relatively low and consistent. This has dramatically changed, with the amount spent on this form of temporary accommodation rising by 495% between 2018/9 and 2023/4. **The decision to keep prevention and non-accommodation services funded out of the same pot as temporary accommodation funding has created the serious situation where these services, and in some instances charities, are put at risk depending on the level of demand which enters the temporary accommodation system.**

48. Ironically, the first priority of the Housing Executive's homelessness strategy for 2022-27 is to "prioritise homelessness prevention."⁴³ As the strategy outlines, "Our current response to homelessness in Northern Ireland is still focussed largely on responding to people who find themselves in crisis situations. Our ambition is to prioritise homelessness prevention through the provision of the right support at the right time with an aim to prevent homelessness from happening in the first place."⁴⁴ We wholeheartedly endorse this objective of the Housing Executive. However, the way in which the homelessness services budget is currently structured is actually prioritising crisis response at the expense of homelessness prevention. The more that is spent on temporary accommodation in the private sector, the less that will be available for homelessness prevention projects through this funding pot. It also has the negative effect of taking away resources from services which may reduce demand for temporary accommodation. This cuts directly against the strategy of the Housing Executive. **Consequently, we would submit that the Department and the wider Executive should reconsider whether this is the best way to fund homelessness prevention measures.**

49. An additional issue which the current structure also generates is uncertainty for projects which are funded through the homelessness services budget. As there is considerable volatility around the need for temporary accommodation in the private sector depending on the level of need, organisations funded through this mechanism have to live with the potential

threat to their funding if more and more resources continue to be needed to provide this kind of temporary accommodation. It further locks in short-term thinking and inefficient spending, as these organisations are unable to plan and prioritise beyond short-term funding timelines.

50. The welcome increase in the amount of funding provided to SP will also have an impact if the additional funding can be- as we hope- used for staffing costs. The same organisation may receive funding through both the homelessness services budget and SP for staff salaries. **The freeze to the homelessness services budget will mean that there are no additional funds available to increase pay for staff funded through this budget. Colleagues in the same organisation funded through SP, however, may receive salary increases. This inequity could cause challenges within organisations.**

51. The EQIA makes explicit the point that the nature of the duty on the Housing Executive to provide temporary accommodation to those who need it means that “NIHE will prioritise funding for it, and focus saving on the third sector/voluntary and community sector groups, in particular longer term preventative work.” **We would urge the Department to do everything in its power to prevent any cuts to the voluntary sector organisations providing vital homelessness services and interventions funded through this budget.** Any cut here will have a negative impact on people at risk of or experiencing homelessness and the staff supporting them it will increase pressures on the Housing Executive; will take us further away than we already are from the crucially important goal of prioritising homelessness prevention; will be highly likely to increase costs for blue light services such as ambulances, policing and the criminal justice system if there is any reduction in service provision; and will take resources away from a sector which has suffered from under-investment for well over a decade. Cuts to these services would without question further undermine an already struggling homelessness sector and most importantly negatively impact on those the sector exists to support.

52. We note the decision to “top up” funding for the Discretionary Support Grant in 2024/5 with an additional £2 million compared to 2023/4. It is the view of Homeless Connect that Discretionary Support Grants play an invaluable role in homelessness prevention within the welfare system as it is currently constituted. We agree with the following statement made by the Independent Review of Discretionary Support: “It is the panel’s view that the social security system should be able to protect the dignity and human rights of individuals by giving them access to an adequate income. Neither social security nor employment currently guarantee this and so Discretionary Support remains vital.”⁴⁵ The provision of a grant for a key household item can make the difference for a household on the edge of falling into

homelessness. It is an excellent example of preventative spending which can save money in the longer term.

53. This decision to “top up” funding for the Discretionary Support Grant in 2024/5 has to be viewed in a wider context than simply 2023/4. In an answer to an Assembly question, the Minister for Communities outlined the spending on Discretionary Support grants and loans over the last five years.⁴⁶ This illustrates that while the amount of funding for grants will indeed rise by 10% in 2024/5 compared to 2023/4, the amount provided in 2022/3 stood at £40 million. The growing number of Discretionary Support loans being provided by the Department is illustrative that this kind of support is still badly needed in NI. While it is true that thankfully inflation has been falling in recent months, it remains the case that many households in NI are struggling with living costs. **We would submit that the Department should keep a close eye on the level of need for grants throughout the year and be willing to revisit the funding provided if the level of need is such that it is needed.** We would further note that some of our members organisations are hearing of delays in the provision of discretionary support grants. This may be related to staffing challenges facing the Department, but we would highlight the critical importance of quick provision of grants to those who need them.

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² Northern Ireland Fiscal Council, “The NI Executive’s Budget 2024/5: An Assessment”, May 2024, accessed 18 June 2024, <https://www.nifiscalcouncil.org/files/nifiscalcouncil/documents/2024-05/NI%20Executive%27s%202024-25%20Budget%20-%20an%20assessment%20-%20web%20version%2014.05.24.pdf> 27.

³ Northern Ireland Fiscal Council, “An Assessment” 31.

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⁵ Department of Finance, “Ministerial Statement - 2023-24 Provisional Outturn and 2024-25 June Monitoring”, 1 July 2024, accessed 3 July 2024, <https://www.finance-ni.gov.uk/publications/ministerial-statement-2023-24-provisional-outturn-and-2024-25-june-monitoring>

⁶ This calculation assumes that the £20 million allocated to the DfC Capital budget for new build social housing is indeed allocated to the SHDP.

⁷ On the Social Housing New Starts, see Department for Communities, “Housing Bulletin Jan to March 2024” and Department for Communities, “Budget 2024/5, Equality Impact Assessment”, June 2024, accessed 17 June 2024, <https://www.communities-ni.gov.uk/sites/default/files/consultations/communities/dfc-budget-2024-25-egia.pdf> 21. On the Capital Budget for the Department for Communities and Social Housing Development Programme, see [AQW 12677/22-27](#) and [AQW 11103/22-27](#)

⁸ This 600 figure is calculated from a statement made to the Communities Committee on 11 April where officials indicated that the initial budget allocation would allow for “up to 400” new starts in 2024/5. The Finance Minister outlined in the Assembly on 1 and 2 July: “I understand that that will enable around an extra 200 new social homes to be delivered.” However, we have not seen any calculations provided illustrating what the actual number of new starts could be on the level of funding provided.

⁹ See the Minister's answer to this Assembly Question: [AQW 6642/22-27](#), "The Social Housing Development Programme (SHDP) for the 3-year period 2024/25 to 2026/27 has recently been approved. Subject to appropriate budget being made available, the SHDP new build starts would increase each year. A target of 2,000 starts for 2024/25 has been set, increasing to 2,150 units for 2025/26 and 2,300 units for 2026/27."

¹⁰ Department for Communities, Draft Housing Supply Strategy", "The aim for this Strategy is to create a housing system that can deliver upwards of 100,000 homes over its 15 year lifetime. At least a third of these homes will be social homes" 11.

¹¹ See footnote 6.

¹² Latest social housing waiting list figures can be found in Department for Communities, Housing Bulletin January to March 2024, <https://www.communities-ni.gov.uk/system/files/publications/communities/ni-housing-bulletin-jan-mar24-tables.ods> Table 2.1. The historical data can be found in reply to this Assembly question [AQW 286/22-27](#) and in Department for Communities, "Measurement Annex PfG 2016-2021 Dec 2020", accessed 14 June 2024, <https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.nisra.gov.uk%2Fsites%2Fnisra.gov.uk%2Ffiles%2Fpublications%2FMeasurement%2520Annex%2520PfG%25202016-2021%2520Dec%25202020.docx&wdOrigin=BROWSELINK>. The latest FDA figure provided is for 31 December 2023 as at the time of writing this was the latest data available.

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¹⁵ See [AQW 12681/22-27](#)

¹⁶ For more information on the Supporting People programme, see Housing Executive, "About the Supporting People Programme", accessed 17 June 2024, <https://www.nihe.gov.uk/working-with-us/supporting-people/about-the-supporting-people-programme>

¹⁷ Department for Communities, "Budget 2024-25, Equality Impact Assessment", June 2024, accessed 18 June 2024, <https://www.communities-ni.gov.uk/sites/default/files/consultations/communities/dfc-budget-2024-25-eqia.pdf> 57

¹⁸ John Boughton, *Municipal Dreams: The Rise and Fall of Council Housing*, (London: Verso, 2019), 6.

¹⁹ See NI Fiscal Council, "An Assessment", 35.

²⁰ Northern Ireland Assembly, "Official Report: 4 June", <https://data.niassembly.gov.uk/HansardXml/plenary-04-06-2024.pdf> 37-38.

²¹ See NI Assembly Finance Committee, 3 May 2024, our transcription. <https://youtu.be/T8dq1ZQy8qo?si=Uduf8bqKeyKYt9jj>

²² See for example the 'Loan to Acquire Move on Accommodation' (LAMA) homelessness scheme in 2024-25 referred to in the consultation document on p21.

²³ Department for Communities, "Equality Impact Assessment", 3

²⁴ Department for Communities, "Equality Impact Assessment", 22-3.

²⁵ Department for Communities, "Equality Impact Assessment", 22.

²⁶ Dr Karen Orr and Dr Leeanne O'Hara, Staffing Challenges within the Homelessness Sector, 27 September 2022, <https://homelessconnect.org/wp-content/uploads/2023/04/HOMELESS-CONNECT-STAFFING-RESEARCH-REPORT-SEPT-22.pdf>

²⁷ Orr and O'Hara, Staffing Challenges, 18.

²⁸ M. Corr, L. Holland & A. McKinstry, "A Place to Call Home: A rights based approach to understanding the lived experience of children and families facing homelessness or housing insecurity", February 2023, accessed 18 June 2024, <https://www.niccy.org/wp-content/uploads/2023/03/NICCY-Homelessness-A-Place-to-Call-Home-Main-Report.pdf>

²⁹ Deborah Quilgars and Nicholas Pleace, "Children and Families", *Routledge Handbook of Homelessness ed*, Joanne Bretherton and Nicholas Pleace, (London: Taylor and Francis, 2023) Ch16.

³⁰ Housing Executive, "FOI 310:2024", 26 March 2024, accessed 4 July 2024, <https://www.nihe.gov.uk/getattachment/15e33ece-a659-4ad0-abcf-a0f41d52480c/Breakdown-of-homelessness-data.pdf>

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³² For a comprehensive account of the range of human rights instruments which enshrine the human right to housing, see United Nations Office of Human Rights, "International Standards: Special Rapporteur on the right to adequate housing," accessed 15 May 2023, <https://www.ohchr.org/en/special-procedures/sr-housing/international-standards>

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⁴¹ Further information on this survey is available on request.

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