

# NIHE Response to Department for Communities Budget 2023-24 Equality Impact Assessment

7<sup>th</sup> June 2023

As the strategic housing authority for Northern Ireland, the Housing Executive plays a key role in the health, social and economic outcomes of households and communities in Northern Ireland. The nature of our work, which includes the gathering of data on the functioning of our housing system, requires the organisation to have a detailed understanding of the factors which can either drive inequality or which can promote equality of opportunity.

It is our view that the indicative allocations as set out in the Budget 2023-24 EQIA by the Department of Communities, will have an adverse impact across the groups protected by Section 75 of the Northern Ireland Act 1998, and those living in rural areas. This is due to ongoing rising demand for housing services, particularly for those experiencing homelessness, those living in fuel poverty and energy inefficient housing, and those in need of housing support services to live independently.

The draft budget poses significant risks for a number of strategic programmes, both delivered by the NIHE or in partnership with organisations across the housing sector:

1. It will be virtually impossible to provide services to prevent homelessness, with the overwhelming proportion of the homelessness budget focused on response rather than prevention.

The proposed draft budget comes at a time of unprecedented levels of homelessness; a 15% rise year-on-year in the number of households to whom the NIHE has the highest legal duty, i.e. 'full duty applicants'. Perversely, failure to fund prevention services, will lead to greater numbers living in expensive temporary accommodation, leading to greater budgetary pressures over time. Indicative funding of £26.4m has been outlined, resulting in a funding shortfall for all homelessness services, of circa £7.4m.

2. By solely funding temporary accommodation, and not funding wraparound services, thousands of people experiencing homelessness may be without any support or advice. In our professional opinion this will leave many people exposed to repeat homelessness, as their temporary accommodation placements fail. The impact of this for other public services will be acute.
3. The Housing Executive has been asked to plan on the basis of reduced Social Housing Development Programme, potentially several hundred homes short of the planned 2000 starts planned for 2023/4. This means that more households will be waiting longer to have permanent housing offered to them.
4. The proposed budget will also put at risk existing levels of funding for energy efficiency programmes tackling fuel poverty across Northern Ireland. A shortfall of £2m in the Affordable Warmth scheme will curtail this programme and the indicative funding of £148k of the Boiler Replacement scheme effectively closes the scheme to new applicants this year.
5. The indicative allocation of £72.9m for the Supporting People programme, which provides housing support services to approximately 19,500 people, to enable people to live independently in the community, does not allow for unavoidable cost pressures experienced by provider organisations. This budget therefore will remain under significant pressure. In

addition, for schemes that are delivered jointly with health, there remains a serious disparity as an uplift for 2023/24 has already been agreed only for the health element of those same schemes. The Housing Executive is concerned that some support schemes may be unviable for partners, who might choose to close services.

6. The Fundamental Review of Allocations, which is the largest reform of the system of allocations in a generation, currently faces significant funding uncertainty. Progress with the review, which will result in practical changes for everyone on the housing waiting list, is currently being progressed at risk and will be paused later this year if funding is not allocated. This pause has the potential both to undermine our fundamental system of allocations and may place at risk all of the work carried out to date, resulting in possible nugatory spend.

As housing professionals we are concerned about the impact that the proposed budget cuts outlined above will have on specific groups: people with disabilities; young people leaving care; the increasing number of young women presenting as homeless; households in rural areas; those in fuel poverty; and vulnerable people, including the elderly. The proposed budget comes at a time when the cost of living crisis is continuing to impact on many households across Northern Ireland.

In addition, the budget outlined in the EQIA does not allow for the high costs for goods and materials, contingency planning for emergency situations and the increase in the number of households seeking asylum in Northern Ireland.

As the Housing Executive delivers and funds services to some of the most vulnerable people in our society, a funding shortfall will undoubtedly have adverse impacts across our society and on the Section 75 equality groups. Furthermore, the proposed budget limits our ability to make systemic changes as we will be unable to financially plan or invest in our services in the medium to long term.

## **1.0 Introduction**

### **1.1 Funding Background**

The functions of the Housing Executive are split across two distinct bodies (Landlord Services & Regional Services/Strategic Housing Authority), funded through different mechanisms and requiring separate financial management reporting.

Rental income that is generated from 84,000 homes and our commercial properties, funds the Landlord side of the organisation for improvements, repairs and services for tenants. Regional Services is wholly dependent on the availability of Government grant to fund its wide range of housing related services, such as: the administration of the waiting list for social housing and assessment of housing need; the provision of homeless accommodation and services; Housing Benefit administration; the management of the new social housing development programme; distribution of the Supporting People programme; private sector grants and strategic housing services such as research and market analysis.

Accordingly, any restriction on the availability of Government grant funding in 2023/24 has a disproportionate impact on the ability of Regional Services to deliver/fund its services.

### **1.2 2023/24 Funding Availability**

The Secretary of State for Northern Ireland set the 2023/24 Budget for Northern Ireland on 27 April 2023. Following a series of information gathering exercises conducted by the Department for Communities (DfC) to determine requirements for 2023/24, DfC set out an initial assessment of the impact of the budget position on 09 May 2023. This was followed by the Equality Impact Assessment on 10 May 2023. This document outlines our response to the Department's equality impact assessment (EQIA) of the draft budget.

We prepared a draft 2023/24 Budget Submission based on projected requirements to deliver our statutory and non-statutory services within Regional Services, and to deliver an effective tenancy management service and stock investment for Landlord Services. Our projected requirements are based on analysis of the current future housing need and housing market trends.

The Housing Executive's Strategic Plan focuses on targeting and meeting housing need and reducing housing inequalities. We focus our business objectives on those individuals, groups or geographical areas most in need, in order to address existing or emerging areas of evidenced inequality. The indicative funding allocations for 2023/24 Regional Service's capital and revenue programmes fall significantly short of the requirements identified within our 2023/24 Budget Submission. This is particularly concerning given the adverse impact that these funding constraints will have on all Section 75 groups.

The purpose of this document is to identify the implications of the indicative budget allocations for the Housing Executive, with particular relevance as to how reduced funding availability is likely to impact on Section 75 groupings and those living in rural areas.

### 1.3 EQIA Consultation Process

The consultation document for the EQIA includes the following four questions which will be addressed in this document:

- a) 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
- b) 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?
- c) Please state what action you think could be taken to reduce or eliminate any adverse impacts in allocation of the Department's budget.
- d) Are there any comments you would like to make in regard to this pro forma or the consultation process generally?

### 2.0 NIHE EQIA Response

Our EQIA response will address each of the 4 requirements identified in section 1.3 in turn, as below.

#### 2.1 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.

2.1.1 The following data should be considered when reviewing the appropriateness of budget distribution:

- Analysis of Waiting List and Allocations Management data by key Section 75 groups should be considered as this highlights the differential in waiting times for households on the waiting list and those households who have had a housing allocation. This data highlights a relationship between waiting times and such characteristics as religion, disability (wheelchair standard), and age.
- Analysis of homeless households awarded Full Duty Applicant status.
- Homeless demand trends in terms of the increasing number of placements, increased requirement for units of temporary accommodation, increased requirement for external accommodation due to supply issues, and investment in prevention measures as a proportion of overall programme expenditure. It is critical to understand the scale and nature of need among particular groups, e.g. young people leaving care, women fleeing domestic abuse, etc.

#### 2.2 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?

As we deliver and fund services to some of the most vulnerable people in our society, a funding shortfall will undoubtedly have adverse impacts on several of the groups protected by Section 75. The main impacts are detailed in this section.

##### 2.2.1 Energy Efficiency Grants Programme

###### (a) Funding Requirement

A funding requirement of £16m was previously identified for the Affordable Warmth scheme. Indicative funding of £14m has been allocated, resulting in a shortfall of £2m.

Separately a funding requirement of £1m was identified for the Boiler Replacement scheme. Indicative funding of £148k has been allocated, sufficient to fund only carry-forward scheme commitments, effectively closing the scheme to new applicants in-year.

#### (b) Implications for groups protected by Section 75

The 2016 House Condition Survey estimated that approximately 22% (160,000) of households in Northern Ireland were in fuel poverty.

- One-third (34%) of households living in rural areas: small villages, hamlets or open country areas were in fuel poverty.
- Almost two-fifths (38%) of households headed by an older person (75 plus) were in fuel poverty.

Fuel poverty was higher in households with HRPs who were not working (32%) or retired (31%).

It is likely that any restriction on programme outputs will adversely impact the following populations:

- Older people or persons with disabilities and others who are impacted by exposure to cold temperatures
- Persons with limited financial means and who spend a disproportionate amount of household income (i.e. those considered as suffering from fuel poverty) on fueling inefficient heating systems, or who live in houses that have inadequate thermal capacity. This is more likely to impact adversely on persons with disabilities who are less likely to be in employment and older people living in older housing.

### 2.2.2 Social Housing Development Programme

#### (a) Funding Requirement

A funding requirement of £199.5m has been identified in order to target 2,000 new social housing starts in 2023/24, to meet housing need. Although £141.6m has been allocated on an indicative basis, the Housing Executive has been asked to plan on the basis of a £159m budget. Both scenarios would result in a budget shortfall and even in a 'higher case scenario' of a £159m budget, will result in substantially fewer homes being built in 2023/4 than originally planned. This will have direct implications for levels of housing need.

#### (b) Implications for groups protected by Section 75

As detailed in the EQIA document, the proposed funding reduction is likely to substantially reduce the number of homes that can be built. New build social housing is a form of subsidised housing, aimed at supporting those who cannot access market housing due to lack of affordability. Therefore any shortfall in new-build social housing, will have an adverse impact across the Section 75 categories. It will lead to households spending longer on the waiting list for housing, and in many cases spending longer periods in temporary accommodation, or alternative unsuitable accommodation, and will therefore generally widen inequalities across Northern Ireland.

The waiting list as at 31<sup>st</sup> March 2023, identifies a total of 32,633 applicant households in housing stress. Within the 32,633 applicant households we hold data on several Section 75 groups including religion, race/ethnic origin, age and disability.

This data suggests that any reduction in funding and availability of social housing will have an adverse impact across the Section 75 categories given the scale and depth of housing need across the country.

A sustained supply of social housing is required over the long term to meet household formation and migration needs. A shortfall in planned supply of social housing will impact across the groups protected by Section 75 and could contribute to the lengthening of waiting lists, and the reduction of equality of opportunity generally.

### 2.2.3 Homelessness Programme

#### (a) Funding Requirement

The level of constraint on the homelessness budget in recent years, coupled with rising demand, has meant we have funded responsive services at the expense of strategic programmes such as homelessness prevention and tenancy sustainment. Investment, over time, in strategic approaches to homelessness has been proven to yield greater outcomes for people, reduce pressure on other budgets (including health budgets) and drive greater public value overall. This is a central principle of our Homelessness Strategy, developed in partnership with other statutory organisations and the voluntary and community sectors. A strategic shift away from 'emergency response' to prevention is our ambition, and is key to resolving homelessness.

With these strategic imperatives in mind, a funding requirement of £33.8m has been identified comprising £25.3m for statutory accommodation based services, £5.0m for community based prevention and support initiatives, and £3.5m for strategic prevention measures. This would enable us to meet our statutory obligations to provide temporary accommodation, while also ensuring that services are available to people experiencing homelessness, to enable them to progress towards a resolution of the issues that have contributed to their homelessness.

These services are an essential component of the homelessness model in Northern Ireland, and are delivered in partnership with voluntary and community sector organisations, directly funding staff costs to provide services to people experiencing homelessness. Initiatives currently supported through the fund include wraparound guidance and support, counselling and mentorship, intensive support for those presenting with additional mental health and addiction needs and regular access to a variety of support professionals. One of the projects, for example delivered through Women's Aid, delivered literacy and numeracy skills over a series of sessions, assisting attendees not only with household budgeting but also to gain qualifications which enabled over half of those engaged to gain employment during the term of the project, creating the conditions for households to sustain permanent tenancies and move beyond a situation of insecure housing or homelessness.

Indicative programme funding of £26.4m has been notified, resulting in a funding shortfall of circa £7.4m across the programme.

#### **Key Homeless Trends- Temporary Accommodation**

##### *Increasing Number of Homeless Placements*

The last five years has seen an unprecedented growth in the number of households requiring temporary accommodation, soaring from 3,024 to 10,253 in just five years.

On the 31<sup>st</sup> March 2023, there were 26, 310 applicant households on the waiting list with Full Duty Applicant (FDA) status, more than half of the waiting list. This number has increased by 50% since 2017. The NIHE owes a duty to these households to provide temporary accommodation, and who at any point, could present seeking those services. Therefore, it is highly likely that the numbers seeking temporary accommodation will rise. An extreme weather event, unexpected global events or a spike in Covid-19 cases, could lead to a significant increase in those requiring accommodation.

The scale and nature of homelessness in Northern Ireland, and in particular growth in demand for temporary accommodation has grown across the equality categories. However, homelessness and inequalities are inextricably linked, with many homeless households having distinct needs.

On a daily basis we deal with younger people, young people leaving care, children living in temporary accommodation, women fleeing domestic abuse, migrant workers, refugee families and households with mental health or addiction challenges. People with disabilities who experience homelessness also have distinct needs and requirements. A shortfall in services will have an adverse impact on all of these groups.

In terms of race, increases in refugees with ‘leave to remain’ entering the homelessness system continue to be expected. For example, as at November 2022 the Mears Group highlighted that there was an average of 145 asylum seeker arrivals per month; however, the average has been 169 per month over the last 3 months. This has the potential for people/families if given ‘leave to remain’ to enter the homelessness system, and a reduction on funding would have an adverse impact on equality of opportunity on grounds of race.

*Key Homeless Trends: Cost of Temporary Accommodation and Impact on Prevention Budget*

The cost of providing temporary accommodation has increased dramatically in recent years, in order to meet demand and meet our statutory obligation.

**Total Temporary Accommodation Costs**

Year	£ks
2017/18	4,969
2018/19	5,765
2019/20	7,473
2020/21	12,630
2021/22	14,997
2022/23	21,342

*(The 2022/23 figure is 4.9 times greater than 2017/18)*

There has been an increased need for placement into external (B&B/hotel) accommodation during the past three years – which is necessary in the absence of a suitable supply of standard Single Let accommodation. External accommodation is circa 6 times more expensive than standard Single Let accommodation.

Use of external accommodation to fulfill our statutory temporary accommodation duty is placing significant pressure on existing funding availability. Put simply, it reduces our capacity to fund prevention services.

Unsurprisingly, spend on temporary accommodation, a demand led service to meet our statutory obligations, reduces our capacity to fund prevention services. In 2022/23 circa £5.4m was invested in

homeless prevention and support activities, representing just 20% of the overall £26.4m programme cost.

(b) Implications for groups protected by Section 75.

Based on current projections, the indicative allocations would allow for the NIHE to discharge its core statutory homeless duty of providing accommodation to the homeless presenters. However, this leaves insufficient funding (circa £1.1m) available to support both the community prevention and support initiatives and strategic prevention measures – both of which are key to ensuring appropriate preventative support measures are in place to reduce the likelihood of homelessness and abate demand in the medium term.

The relationship between homelessness and inequalities is recognised and confirmed by national and global research and evidence. The practical implications for people experiencing homelessness are profound, and have been identified to us through our ‘Lived Experience’ programme, a key part of our Homelessness Strategy.

Should the indicative allocations be confirmed, it would put at risk the majority of the following services:

- Community Based Support and Prevention Support Initiatives
- Homelessness Prevention Fund
- Housing First for Youth
- Complex Lives

These services support a range of people with distinct needs and from a Section 75 perspective will be adversely impacted by any reduction in support. The timing of decisions to close services is critical. Allowing for a three-month lead in time, service closures would likely commence from the end of October 2023. In practical terms, this could leave thousands of people experiencing homelessness without services to enable them to resolve their homelessness.

*Homelessness Prevention*

The Homelessness Strategy 2022-27 has identified homelessness prevention as a key priority. Over the course of 2022/23 a total of 34 projects were supported. Lack of funding for prevention in 2023/24 would result in only a minority of prevention services for the following groups:

- Youth homeless including former care leavers;
- Older people;
- Victims of domestic abuse; mainly women
- People experiencing or impacted by addictions;
- People with mental ill-health;
- People at risk of losing private rented sector accommodation;
- People with lived experience in the criminal justice system

*Housing First for Youth*

The absence of this service would impact on the Housing Executive’s ability to support young people who are at the chronic end of homelessness. Housing First provides wraparound support and is vital in ensuring that young people, many of whom may have engaged with the care system, have the support to sustain their tenancies and this in turn supports positive outcomes in respect of mental health and addiction prevention.



### *Complex Lives*

This service supports clients at the most complex, vulnerable and chronic end of homelessness. This would predominantly impact on single person households with single females a growing client group in respect of wider public concern and the relatively small amount of female specific services within Belfast. The service also supports the delivery of many non-accommodation services, namely extreme addiction and mental health support.

Progression of these initiatives is key to reducing future demand being placed on homeless services and our ability to provide the most appropriate and cost effective solution to meet individual's needs. **Notably, they are core components of the Homelessness Strategy** which the Housing Executive has consulted on and which has widely been welcomed in respect of the scale of its ambition in supporting our most vulnerable households. Failure to fund these strategic prevention initiatives would in effect mean the strategy is not deliverable, and in terms of the EQIA could represent adverse impacts in terms of disability, age, race and gender.

#### 2.2.4 **Supporting People Programme**

##### (a) Funding Requirement

The Supporting People Programme grant funds approximately 82 delivery partners to provide 827 housing support services to over 19,500 service users across Northern Ireland. These services ensure that thousands of people live independently in their community, with support, reducing funding requirements across other public services.

The impact and consequences of funding pressures and the current cost of living crisis are having a significant effect on the provision of services, with many providers increasingly calling into question the sustainability of services.

Providers are also experiencing extreme difficulty in recruiting and retaining staff. It is essential that SP funding rates are regularly reviewed in order to ensure that funding reflects normal inflationary cost pressures experienced by providers, particularly in relation to wage inflation, in order that services can be sustained in the medium term.

Taking account of demand, we have identified a funding requirement to include core programme requirements, progression of the strategy, a provider innovation fund and an uplift to match the current uplift that has been applied by Health to the jointly funded schemes.

The indicative allocations include £72.9m for the Supporting People resulting in a continuing pressure for this budget.

##### (b) Implications for groups protected by Section 75

It is important to understand all aspects of the Supporting People service. This service is provided directly to customers who need support in addition to or in association with their accommodation. These services are provided by intermediary service providers who are a mix of voluntary and community sector organisations, independent organisations and public bodies. These services can range from "floating support" services in customers' homes to resource intensive accommodation services for people with significant support needs, in addition to living in specifically designed dedicated accommodation.

The nature of all SP clients is that they require support in order to address an identified need. Therefore in any equality impact assessment of the SP programme we suggest that addressing need is equivalent to reducing inequality or “promoting equality”.

Any gap between the funding identified in the Housing Executive’s budget submission and that made available to deliver these services is a direct reduction in our capacity to promote equality of opportunity.

Given the wide range of client groups likely to be affected and the significant proportion of those associated with disability (approximately 50%) we would suggest that, as a minimum, this should be regarded as an adverse impact in relation to disability. Greater analysis of the precise removal or reduction of services will identify other client groups which could also be regarded as being adversely affected e.g. women impacted by domestic abuse, Irish Travellers, migrant workers, older people, Young people etc.

### **2.2.5 Travellers Sites Improvements, Maintenance and Running Costs.**

#### **(a) Funding Requirement**

The funding requirement identified for 2023/24 includes £0.6m for capital improvement works and £0.2m for maintenance and running costs for the Travellers sites in NIHE ownership. Whilst funding is included for the capital programme, there is a shortfall in funding for the resource maintenance and running costs. This is part of the NIHE’s statutory obligation and will result in unavoidable pressures on the budget.

#### **(b) Implications for groups protected by Section 75**

Research conducted by the Human Rights Commission and the Equality Commission have both highlighted the need for more and better accommodation for Irish Travellers. These reports have been critical of the lack of new Traveller sites and of poor conditions on existing sites. The Housing Executive is clear in its role as a duty bearer, and is committed to ensuring we meet our obligations to Travellers. NIHE has worked hard to address these issues through its Irish Traveller Strategy, however, any restriction on funding in relation to maintenance and running costs of sites would have a direct and immediate adverse impact to the Irish Traveller community, and our ability to meet our obligations to them.

### **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 majority of the Housing Executive Regional Services functions are either contractual, statutory in nature or being delivered following a Ministerial decision. As such there is limited scope to actively manage a reduction in financial resource requirements, without directly reducing services.

The Housing Executive’s Corporate Strategy and annual business plans are developed by prioritising those individuals, groups and geographical areas most in need and experiencing the greatest levels of inequality. This allows NIHE to adjust programme delivery, recalibrate financial forecasts, and to re-prioritise based on sound evidence. Nevertheless, we have commenced a number of workstreams internally to consider ways in which some internal systems can be improved to release resource to meet service demands elsewhere, or to build some contingency for later in the year when we are likely to experience adverse weather conditions, which puts pressure on homelessness budgets. We are also considering a range of ways in which we can achieve services outcomes through greater partnerships.

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

The majority of DfC grant funded services that NIHE provides are targeted towards those most in need. NIHE has based its budget submission on projected annual demand for its services, which is done on an annual basis, and which has proven to be a highly reliable predictor of service requirements. Many customers in receipt of these services have a range of complex or competing needs, and our services are intended to enhance their equality of opportunity, for example, through the Supporting People Programme to enable them to live independently; through the Social Housing Development Programme to give them the opportunity to live in a sustainable and high quality home; through our Affordable Warmth programme, to enable households to live in a warm and dry property. These services, quite simply, promote equality of opportunity. Reductions in resource at a time of growing demand will present a range of adverse impacts, across the equality categories and more generally, and it is likely will increase rather than reduce inequality.

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[www.nihe.gov.uk](http://www.nihe.gov.uk)

[info@nihe.gov.uk](mailto:info@nihe.gov.uk)