

Evidence to the Social Development Committee on the Department for Social Development Draft Budget 2011-15

27.01.2011

Summary	<ul style="list-style-type: none"> • Housing Rights Services welcomes the publication of the DSD’s draft budget, although the detail is limited. We note that the budget has been drafted prior to an agreed Programme for Government being in place. However, we are eager that the budget is agreed within the allowed timeframe to enable future planning and delivery of essential services. • We agree that if implemented the welfare reform agenda, along with increasing housing pressures, will have a detrimental impact on those in society who are already most in need. The Department with chief responsibility for assisting and providing frontline functions to vulnerable households is the DSD. • We acknowledge that there are a significant number of competing priorities for government. However we agree that more should be done in the draft NI Executive budget to protect those most in need. The DSD’s budget increase over the next four years is minimal at only 0.4% and falls short of what is required. • Housing Rights Service believes that budget allocation to the DSD needs to be proportionate and sufficient to protect frontline services and to provide adequate safety nets for the most disadvantaged members of our community. We support the DSD in its bid for additional resources. • We also believe there is a strong case for the Social Protection Fund to be administered by DSD (rather than OFMDFM). The purpose of this fund is to <i>“specifically target those who are vulnerable in recognition that the current climate will impact negatively on many of our most disadvantaged citizens”</i>.¹ In our view this clearly falls within the remit of the DSD.
Department priorities	<ul style="list-style-type: none"> • Housing Rights Service supports the DSD’s proposed strategic objectives. • Future decisions on the allocation of the additional resources in 2012/13 and 2013/14 should reflect these priorities.
Budget cuts	<p>Focus on frontline services</p> <ul style="list-style-type: none"> • Housing Rights Service supports the Minister’s decisions not to make cuts on a straight pro rata basis and to protect frontline services which target those most in need through advice and support programmes e.g. Neighbourhood Renewal; Supporting People; Housing Rights Service and Supporting Communities. • The equality impact assessment indicates that the necessary budgetary cuts will have a detrimental impact on disadvantaged groups. We welcome that the DSD is taking measures to address this by applying additional resources.

¹ OFMDFM draft Budget 2011-15

<p>Budget cuts</p>	<p>Cuts in administration/staffing</p> <ul style="list-style-type: none"> • Housing Rights Service agrees that in order to protect funding it will be necessary to achieve reductions in administration expenditure. • We welcome the stated intention that there will be no compulsory redundancies. • We believe that there is potential for savings by identifying and addressing systems failures and that this should be explored further. <p>Shared services</p> <ul style="list-style-type: none"> • Housing Rights Service agrees that there is a need to examine ways of reducing costs and protecting services e.g. sharing facilities, working collaboratively and mergers. This approach should be applied across all government funded services and not just across the DSD spectre. • An initial investment will be required to facilitate this process but we feel this is justified to help identify and make savings going forward. <p>NI Housing Executive</p> <ul style="list-style-type: none"> • Housing Rights Service is concerned about the impact of cuts in the NIHE’s budget. We acknowledge that additional revenue is required and that this presents a case for considering a rent increase. • Affordability could however become an issue. Not all tenants are in receipt of full housing benefit and those who are receiving it, are likely to face reductions if cuts are implemented. We therefore recommend that an impact analysis be carried out to help inform the decision. • We would not support any rent increase above inflation. Clarification would be needed about whether any increase would apply over the entire budget period. If a rise at inflation level was agreed, this would need to be kept under review (as inflation levels could rise significantly). • We believe that any additional income generated through rent increases must be ring fenced for housing purposes.
<p>Capital</p>	<ul style="list-style-type: none"> • The proposed capital allocations fall well short of what is needed over the next four years and will impact on housing supply. The only alternative for people in housing need will be to rent privately. This has an associated cost to the public purse and, with impending cuts in Housing Benefit, may not prove to be a sustainable option for many households. • Housing Rights Service believes that the provision of social housing is vital and we recognise the need to continue to attract additional funding in this area. We do have reservations about relying on the forecasting value of house/land sales receipts to help fund the social housing development programme (SHDP). • Likewise, we do not feel it is appropriate to use assumptions that £20m per year of housing association reserves will be available to supplement the SHDP.
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