

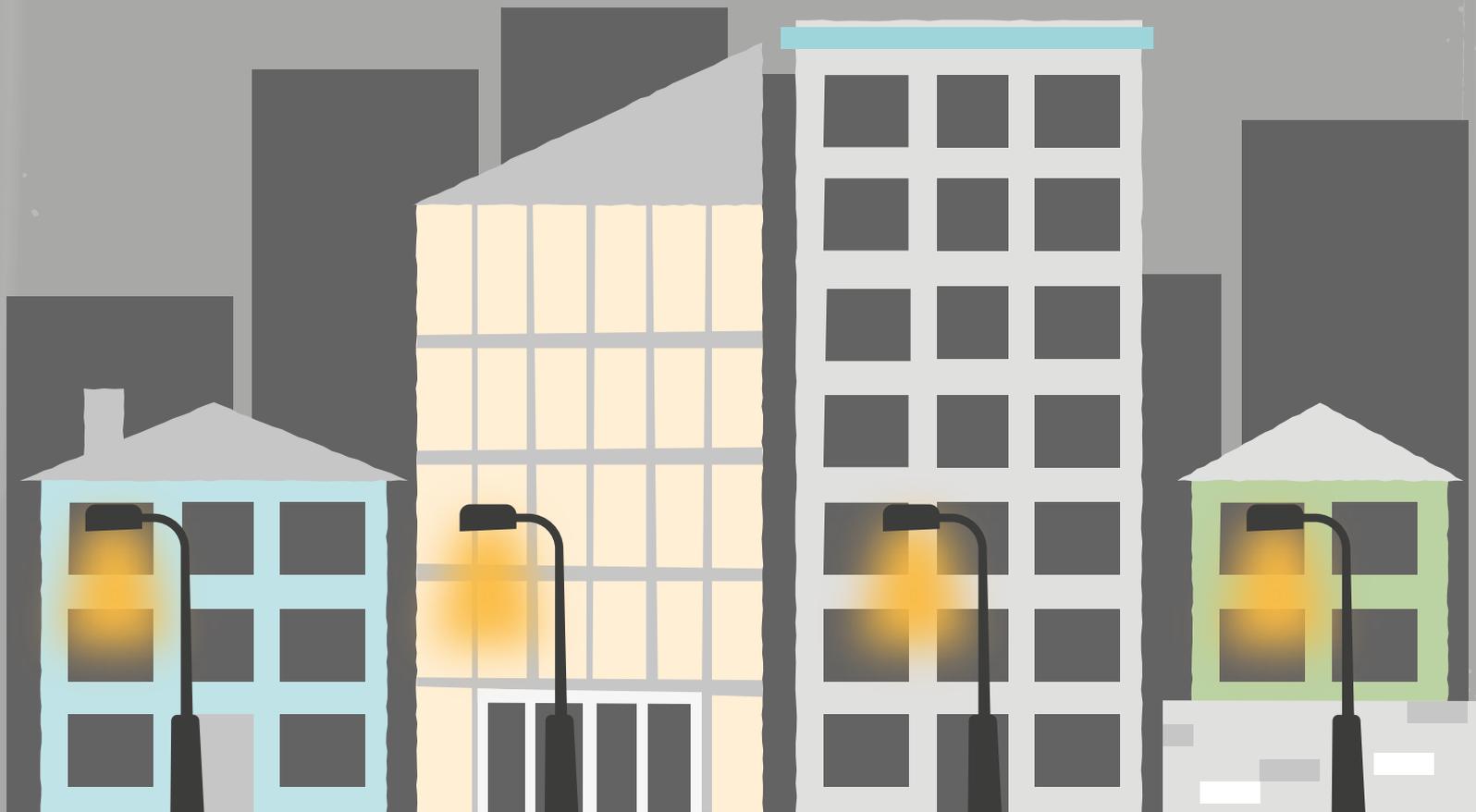


Together
we will end
homelessness

The homelessness monitor: Northern Ireland 2020

Suzanne Fitzpatrick, Hal Pawson, Glen Bramley, Jenny Wood, Mark Stephens, Joe Frey and Lynne McMordie. Institute for Social Policy, Housing and Equalities Research (I-SPHERE) and The Urban Institute, Heriot-Watt University, City Futures Research Centre, University of New South Wales, & UK Collaborative Centre for Housing Evidence (CaCHE).

January 2020



The homelessness monitor

The homelessness monitor is a longitudinal study providing an independent analysis of the homelessness impacts of recent economic and policy developments across the United Kingdom. Separate reports are produced for each of the UK countries.

This update report provides our account of how homelessness stands in Northern Ireland in 2020, or as close to 2020 as data availability allows. It also highlights emerging trends and forecasts some of the likely future changes, identifying the developments likely to have the most significant impacts on homelessness.

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January 2020

About Crisis UK

Crisis is the national charity for homeless people. We help people directly out of homelessness, and campaign for the social changes needed to solve it altogether. We know that together we can end homelessness.

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Disclaimer: All views and any errors contained in this report are the responsibility of the authors. The views expressed should not be assumed to be those of Crisis, the Joseph Rowntree Foundation or of any of the key informants who assisted with this work.

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AHC	After Housing Costs
ANR	Accommodation Not Reasonable
B&B	Bed and Breakfast
BHC	Before Housing Costs
BRMA	Broad Rental Market Area
DfC	Department for Communities
DLA	Disability Living Allowance
EHS	English Housing Survey
EU	European Union
FDA	Full Duty Applicant
FTBs	First Time Buyers
FRS	Family Resources Survey
GB	Great Britain
GDP	Gross Domestic Product
GVA	Gross Value Added
HSS	Housing Solutions and Support
HSSG	Homelessness Strategy Steering Group
JRF	Joseph Rowntree Foundation
LFS	Labour Force Survey
LHA	Local Housing Allowance
NIAO	Northern Ireland Audit Office
NIHE	Northern Ireland Housing Executive
ONS	Office for National Statistics
PIP	Personal Independence Payment
SHDP	Social Housing Development Programme
SP	Supporting People
TA	Temporary accommodation
UK	United Kingdom
UKHLS	UK Household Longitudinal Survey

Foreword

We all share a responsibility for ensuring everyone can access a safe and decent home. The combination of high rents, the benefits freeze, and a lack of housing options are locking families in Northern Ireland in poverty, living in temporary accommodation or facing destitution. This cannot be right.

Drawing on statistical analysis and in-depth interviews with key informants, this year's Northern Ireland Monitor identifies several pressure points of the housing and homelessness problem. The reduction in lettings by social landlords is a key reason for the increased pressure on the private rented sector. There is also growing gap between Local Housing Allowance (LHA) rates and rents and only 12 per cent of broad rental market areas in Northern Ireland have more than a fifth of properties available to let at below the LHA rate.

This accumulation of housing issues means that temporary accommodation placements in Northern Ireland are at a decade-long high at 3,000 households. Whilst the recent power sharing deal commits to extending the mitigation package, it is a temporary solution that will not cover all aspects of welfare reform. The multi-year budget and spending plan that the newly formed government are considering must consider LHA and welfare mitigation.

The Homelessness Monitor Northern Ireland 2020 has been published at a moment of change as the Assembly and Executive returns after a three year hiatus to take responsibility for driving key social and economic policies and programmes, and the impact of the UK's exit from the European Union becomes clearer. Whilst currently uncertain, the impact on homelessness, if any, will need to be considered as part of any discussion about tackling and ending homelessness.

There is a role for the Northern Ireland Executive and the Westminster to play. The UK Government must use the next Budget to ease the pressure on households struggling with high rents. The Executive must deliver on outcomes agreed in the *New Decade New Approach Deal*.

Homelessness is not inevitable. With the right policies and investment, ending homelessness or preventing it happening in the first place is truly within our capabilities. We simply can't avoid the evidence any more, this report is a crucial reference point to guide action in Northern Ireland and make homelessness a thing of the past.



Jon Sparkes
Chief Executive, Crisis



Claire Ainsley
Executive Director at JRF

Executive summary

Key points

The Homelessness Monitor series is a longitudinal study providing an independent analysis of the homelessness impacts of recent economic and policy developments in Northern Ireland and elsewhere in the United Kingdom.¹ This updated report provides an account of how homelessness stands in Northern Ireland in 2020, or as close to 2020 as data availability allows.

Key points to emerge from our latest analysis are as follows.

- Housing, homelessness and welfare policy development in Northern Ireland has been severely hampered since January 2017 following the collapse of the Northern Ireland Assembly. At the same time, the potentially serious economic, political and social implications for Northern Ireland of a disorderly Brexit are casting a long shadow over all areas of public policy.
- The number of rough sleepers across Northern Ireland was estimated to be 38 in November 2018. Of these, 16 were in Belfast – up from only five a year earlier. Enumerated rough sleeping in Northern Ireland nonetheless remains relatively small in scale compared with other UK jurisdictions. However, independent sources of evidence suggest that the overall scale of rough sleeping may be substantially greater than indicated by these official street counts, affecting closer to 250 people on an average night.
- In 2018/19 some 18,200 households were logged as homelessness presentations in Northern Ireland, of which more than two thirds – 12,500 – were judged as “Full Duty Applicant” cases. The total number of homelessness presentations has been virtually static over the past few years, but Full Duty Applicant cases have been steadily rising, increasing by 26% since 2009/10.
- The Northern Ireland Housing Executive practice of processing rehousing applications of people affected by ill health and occupying unsuitable housing via the homelessness legislation rather than through the “normal” allocations system significantly contributes to the historically high recorded incidence of statutory homelessness

¹ Parallel Homelessness Monitors are being published for England, Scotland and Wales. All of the UK Homelessness Monitor reports are available from <http://www.crisis.org.uk/pages/homelessnessmonitor.html>

in Northern Ireland as compared with other UK jurisdictions.

- It also helps to explain the strikingly high proportion of social housing allocations accounted for by statutory homeless cases in Northern Ireland. In 2017/18 lettings to homeless households accounted for no less than 88% of all Housing Executive lettings to new tenants, as compared with 39% of all social lets to new tenants in Scotland, and only 21% of all local authority lets to new tenants in England.
- The overall scale of annual temporary accommodation placements has oscillated within a fairly narrow band over recent years in Northern Ireland. Nevertheless, the figure for 2017/18 was the highest of the decade, at just over 3,000.
- Non-self-contained forms of accommodation including bed and breakfast and hostels accounted for more than half of the 1,629 total temporary accommodation placements made in the first and second quarters of financial year 2018/19. While private single lets account for the bulk of placements at a point in time, more than a quarter of households in temporary accommodation as at 10 January 2019 were living in non-self-contained premises.
- The number of concealed potential households who would want or expect to live separately is estimated at between 70,000 and 112,000: 9-15% of all households in Northern Ireland. These numbers have been relatively stable since 2015, and the proportion of adult children living with parents remains higher than in the rest of the UK.
- Overcrowding in Northern Ireland appears to be static or slightly increasing, with a strong increase in crowding in private renting, leading to Northern Ireland now showing

higher rates than Scotland and Wales. The proportion of households with insufficient bedrooms against the standard is 3.1% in Northern Ireland, affecting about 24,000 households.

- The roll-out of Housing Solutions and Support across Northern Ireland has generally been welcomed, with the associated enhanced data capture also felt to be an encouraging development. While the content of the Northern Ireland Housing Executive Homelessness Strategy 2017-2022 commanded general consensus, concerns remain with regard to implementation. The shift from a "rough sleeping" to a "Chronic Homelessness Action Plan" under the auspices of the Strategy received an enthusiastic reception.
- The Department for Communities-led Inter-departmental Action Plan, intended to complement the Homelessness Strategy with a focus on "non-accommodation" elements, was generally welcomed, especially with regards to the enhanced engagement of health services that it appears to have helped precipitate. However, some of the actions around education, for example, were felt to be somewhat misdirected.
- The Supporting People budget has been protected but frozen in Northern Ireland for a number of years, meaning that there has been a year-on-year reduction in value, putting pressure on some voluntary sector providers. While the continuation of its ring-fenced status is viewed as a major victory for the homelessness sector, this is currently out to consultation.
- Lettings by social landlords have been on a downward trajectory for some time, whilst the number of applicants in housing stress has risen. This suggests that the supply of social rented housing is one of the main pressure points in the Northern Irish housing system, and this is

further evidenced by the frequency with which private tenants cite the length of social landlord waiting lists as a reason for opting for private renting.

- Attempts to increase the supply of social and affordable housing have been hampered by the absence of an agreed policy on Developer Contributions in Northern Ireland, although local government intend to use the Local Development Plans process to introduce local planning policies.
- Moreover, a temporary "derogation" that postpones both the Office of National Statistics' decision to reclassify Northern Ireland's housing associations as public bodies, and the severe budgetary implications of this, is due to end in March 2020. An Office of National Statistics decision to reverse this reclassification decision is dependent on legislation being passed that will deregulate housing associations. It will also legislate for the ending of the Statutory House Sales Scheme (the Northern Ireland equivalent of Right to Buy). The Northern Ireland Office has now committed to passing this legislation through Westminster as soon as possible.
- There is an ongoing shortfall in funding for the Housing Executive. It is estimated that an additional £1bn is required over a ten-year period to undertake necessary repairs and improvements to the stock, without which there is the danger that a proportion of the stock will have to be "decommissioned" for health and safety reasons.
- The Welfare Reform "mitigation" package introduced in stages in 2016 and 2017 has succeeded in protecting many low-income households, especially social sector

tenants, from significant reductions in their benefits. However, this protection is due to come to an end in March 2020.

- The private rented sector has grown enormously over the past 20 years and is now a similar size to the social rented sector in Northern Ireland. Its growth has moderated in recent years. There is little evidence of "no fault" evictions rising to anything like the extent that has occurred in England in recent years, and the loss of rented accommodation is cited as a reason for homelessness acceptances in only a relatively modest proportion of total Full Duty Applicant cases (13%), albeit that this category has exhibited a large proportionate increase over the past decade.
- Unlike tenants in the social sector, there has been no mitigation package to protect private sector tenants against the impact of the growing gap between Local Housing Allowance and contractual rents. Recent research demonstrates that in only 5 out of the 40 broad rental market areas-property type combinations are 20% or more of the properties available to let at below the Local Housing Allowance rate, a rate which should reflect the 30th percentile.

Trends in homelessness

Rough sleeping

There has been a perceived rise in rough sleeping in Northern Ireland in recent years. This perception is partly related to a visible increase in "street activity" including street begging and street drinking.² Nevertheless, given the lack of any historical series it is difficult to judge whether rough sleeping in Northern Ireland is, in fact, changing in scale in any sustained way.

² NIAO (2017) *Homelessness in Northern Ireland*, Belfast: Northern Ireland Audit Office. Available at: https://www.niauditoffice.gov.uk/sites/niao/files/media-files/Homelessness%20in%20Northern%20Ireland%20Full%20Report_0.pdf.

Drawing on street count data for Belfast, Derry/Londonderry and Newry, as well as estimates for other areas, Northern Ireland Housing Executive put the November 2018 number of rough sleepers across the jurisdiction at 38.³ Of these, 16 were in Belfast – up from only five a year earlier. Nonetheless, enumerated rough sleeping in Northern Ireland remains relatively small in scale compared with other parts of the UK and with the Republic of Ireland.

However, as elsewhere in the UK, independent sources of evidence suggest that the overall scale of rough sleeping in Northern Ireland is substantially greater than indicated by official street counts. Based on 2012 survey data (UK-wide Poverty and Social Exclusion study) it can be inferred that the typical nightly number of rough sleepers in Northern Ireland was then around 250. Similarly, emergency service user data collated in the 2017 Joseph Rowntree Foundation “Destitution in the UK” study,⁴ generated a “grossed up” snapshot estimate of rough sleeping in Northern Ireland of 250.

Statutory homelessness

In 2018/19 some 18,200 households were logged by the Northern Ireland Housing Executive as homelessness presentations. Of these, more than two thirds – 12,500 – were judged as “Full Duty Applicant” cases. The total number of homelessness presentations has been virtually static over the past few years, while Full Duty Applicant cases have been steadily rising. Thus, the latter have increased by 26% since 2009/10, whereas total

logged presentations in 2018/19 were 2% lower than in the 2009/10 base year.

Proportionate to total population, statutory homeless numbers in Northern Ireland have historically run at much higher rates than in England and Wales and somewhat higher than in Scotland.⁵ In part, this reflects the fact that, while homelessness acceptances in England and Wales fell substantially in the mid-2000s (especially in England), as a result of the introduction of Housing Options, they remained largely stable in Northern Ireland.

However, another contributory factor is the statistical treatment of certain categories of applicant, and in particular those who are accepted as homeless on grounds that their “accommodation is not reasonable”. This was the largest single “reason for homelessness” category among 2018/19 FDA cases (at 32%). Moreover, between 2009/10 and 2018/19 this cohort grew from 2,490 to 3,674 – a rise of 59%. This classification is unique to Northern Ireland and, as indicated by Northern Ireland Housing Executive, may involve issues of “affordability, property unfitness levels, unsuitability for the needs of the household, severe overcrowding etc”.⁶ More than 80% of these applicants were deemed as Full Duty Applicant cases because their accommodation is not reasonable in relation to their disability or health (including mental health) condition.

It seems, therefore, that the Northern Ireland Housing Executive’s interpretation of the homelessness legislation to process rehousing

applications of people affected by ill health and occupying unsuitable housing via this route rather than through the “normal” allocations system (i.e. as waiting list applicants) significantly contributes to the historically high recorded incidence of statutory homelessness in Northern Ireland.⁷ It also helps to explain the strikingly high proportion of social housing allocations accounted for by statutory homeless cases in Northern Ireland. In 2017/18 lettings to homeless households accounted for no less than 88% of all Northern Ireland Housing Executive lettings to new tenants, as compared with 39% of all social lets to new tenants in Scotland, and only 21% of all local authority lets to new tenants in England.⁸ A recent increase in the figure for Northern Ireland (e.g. from 76% in 2014/15) has further accentuated a long-established contrast between Northern Ireland and other UK jurisdictions in this respect.

Single adults of working age accounted for exactly half of all presentations as homeless to the Northern Ireland Housing Executive in 2018/19, and family households made up just under a third (32%). While “pensioner households” comprise only 13% of all presentations, recent years have seen a striking increase in this group, up by 22% between 2009/10 – 2018/19.

However, though pensioner household applications have risen fastest in percentage terms over this period, the growth in single adults aged 26-59 has been numerically larger. Younger

single applicants, by contrast, have diminished considerably. Not only have such applications declined by 30%, but the numerical reduction in younger adults over the period (1,225) has outweighed the combined increase in pensioners and adults aged 26-59 (1,030).

The overall scale of temporary accommodation placements has oscillated within a fairly narrow band over recent years in Northern Ireland. Nevertheless, the figure for 2017/18 – the latest year for which published data is currently available – was the highest of the decade, at just over 3,000.⁹ In a new statistical series, Northern Ireland Housing Executive reports a breakdown of temporary accommodation placements over a six-month period, according to the type of housing concerned. This shows that bed and breakfast, hostels and similar forms of non-self-contained accommodation accounted for more than half of the 1,629 total placements made in the first and second quarters of financial year 2018/19. Private single lets¹⁰ account for the bulk of placements at a point in time (reflecting the fact that such placements are, on average of longer duration). Even so, of the 2,065 placements as at ¹⁰ January 2019, some 586 – more than a quarter of the total – were living in non-self-contained premises. Within this cohort, almost half (45%) had been accommodated as such for more than six months, with a quarter (26%) resident in accommodation of this kind for more than a year.¹¹

3 NIHE (2019) *Tackling Rough Sleeping in Northern Ireland: Key facts and figures*, Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/getmedia/665fcd6-146e-4389-8a3b-c3d5c8403f23/Tackling-rough-sleeping-in-NI-key-facts-figures.pdf.aspx>.

4 Fitzpatrick, S., Bramley, G., Sosenko, F., Blenkinsopp, J., Wood, J., Johnsen, S., Littlewood, M. and Watts, B. (2018) *Destitution in the UK 2018: Final Report*, York: Joseph Rowntree Foundation. Available at: <https://www.jrf.org.uk/report/destitution-uk-2018>.

5 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. and Watts, B. (2016) *The Homelessness Monitor: Northern Ireland 2016*, London: Crisis.

6 NIHE (2017) *Homelessness Strategy for Northern Ireland 2017-2022: Ending Homelessness Together*, Belfast: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Homelessness/homelessness-strategy-northern-ireland-2017-2022.aspx?ext=>.

7 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2016) *The Homelessness Monitor: Northern Ireland 2016*, London: CRISIS

8 Stephens, M., Perry, J., Williams, P. and Young, G. (2019) *UK Housing Review 2019*. Coventry: Chartered Institute of Housing. Tables 97b, 103 and 104

9 It should be noted that, in enumerating the throughput of placements during the cited financial years, these statistics differ from the ‘stock’ measure of temporary accommodation placements in Great Britain – i.e. the number as at a given date.

10 These are defined by DfC as follows: “A single let is a private dwelling which is made available on a temporary basis to a homeless household while they are waiting for permanent rehousing. These dwellings are normally in the private rented sector”. NIHE (2019) *Northern Ireland Homelessness Bulletin April - September 2018*, Online: Department for Communities, Northern Ireland Statistics & Research Agency, Northern Ireland Housing Executive. Available at: <https://www.communities-ni.gov.uk/system/files/publications/communities/ni-homelessness-bulletin-apr-sep-2018.PDF>.

11 NIHE (2019) *Northern Ireland Homelessness Bulletin April - September 2018*, Online: Department for Communities, Northern Ireland Statistics & Research Agency.

Hidden and wider homelessness risks

People may be in a similar housing situation to those who apply to housing authorities as homeless, that is, lacking their own secure, separate accommodation, without formally applying or registering with Northern Ireland Housing Executive. Such people are sometimes referred to as “hidden homeless”, although perhaps it would be more accurate to characterise some of these groups as people with unmet housing needs who are at risk of homelessness. A number of large-scale/household surveys enable us to measure some particular categories of potential hidden homelessness or wider risk of homelessness: *concealed households*; households who are *sharing* accommodation; and *overcrowded* households. It is important to emphasise that not everyone living in these situations will actually be homeless, but these phenomena are indicative of the kinds of housing pressures that may be associated with hidden homelessness or a risk of falling into homelessness.

The number of concealed potential households who may want or expect to live separately is estimated at between 70,000 and 112,000: 9-15% of all households in Northern Ireland. These numbers have been relatively stable since 2015, and the proportion of adult children living with parents remains higher than in the rest of the UK. The propensity of younger adults to head households has tended to rise in Northern Ireland in recent years, against falling trends in rest of UK. This is probably indicative of both an easier general housing market and economic improvement following the peace agreement. Equally, some recent fluctuations in rates of household formation could reflect the very dramatic “boom and bust” in the housing market in Ireland (North and South) in the late 2000s.

Northern Ireland appears to have seen an increase in sharing since 2012, to higher levels than the rest of UK, but the prevalence of larger groups sharing in the social rented sector suggests possible inconsistencies in recording of congregate supported accommodation.

Overcrowding was less common in Northern Ireland than in the other UK countries, particularly compared to England, in 2010. However, as rates in the other UK countries appear to have fallen, the rates in Northern Ireland were static to 2013 and then rose in 2016. The rate of overcrowding in Northern Ireland is now higher than in Wales or Scotland, but still lower than in England. The proportion of households with insufficient bedrooms against the standard is 3.1% in Northern Ireland, affecting about 24,000 households.

Overcrowding is more common in social renting (4.0%) and private renting (4.8%) and lower in owner occupation (2.3%). Private renting especially, but also social renting, and owner occupation, have all seen increases in overcrowding in Northern Ireland between 2010 and 2016.¹² In Northern Ireland, overcrowding is more prevalent for working age households without children than it is for families with children, a different situation from that in the UK as a whole where more families are affected.

Economic and policy impacts on homelessness

Northern Ireland experienced the deepest recession of any UK countries, and output recovered to pre-recession levels only in 2015. There has been some catching up with the rest of the UK more recently but within the context of economic low growth that is expected to continue, and the uncertainty surrounding Brexit. Economic growth is expected to be

lower throughout the UK as a result of Brexit, with the severity depending on the nature of the trading agreement reached with the EU.

The labour market in Northern Ireland remains weak. Although employment levels have risen above 70%, this is almost 5% below the UK average. More than one-quarter of 16-64 years olds are economically inactive, which is the highest level in the UK. Economic inactivity has risen since 2012, whereas it has fallen elsewhere in the UK. In real terms, earnings were no higher in 2018 than they were in 2008, although they have recovered from the low point in 2014.

House prices in Northern Ireland have risen since the depths of the recession but they are more than 60% lower than the peak in real terms. This has fed through into improvements in affordability with house price to earnings ratios falling from 10 in 2007 to 5 now. There have been revivals in mortgage lending especially among first time buyers, and there are more first-time buyer mortgages being granted now compared to 2007, but they are still a long way below the levels of 2001. People who already own their own homes are benefiting from improved affordability arising from very low interest rates with the result that arrears and possessions are at very low levels.

Low housing costs in Northern Ireland, relative to the rest of the UK, indicate a housing system under less pressure than in many other parts of the country. Northern Ireland has a similarly sized social rented sector to England and Wales, with 17% of households recorded as living in the sector in all three jurisdictions in 2017/18. However, lettings by social landlords have been on a downward trajectory for some time, whilst the number of applicants in housing stress has risen. This suggests that the supply of social rented housing is one of the main pressure points in the Northern

Irish housing system, and is further evidenced by the frequency with which private tenants cite the length of social landlord waiting lists as a reason for opting for private renting.

Attempts to increase the supply of social and affordable housing have been hampered by the absence of an agreed policy on Developer Contributions in Northern Ireland, although progress is now being made through affordable housing policies being created through the Local Development Planning process that would see a percentage of housing developed being affordable – 20% in all developments over 5 units is proposed in Belfast City Council. Moreover, a temporary “derogation” that postpones both the Office for National Statistics decision to reclassify Northern Ireland’s housing associations as public bodies and the severe budgetary implications of this is due to end in March 2020. An Office for National Statistics decision to reverse this reclassification decision has been linked to the ending of the Statutory House Sales Scheme (the Northern Ireland equivalent of Right to Buy), which cannot be forthcoming until the Northern Ireland Executive is up and running again or it is legislated for in Parliament. Attempts to make significant amendments to the historically sensitive allocations policy for social housing, especially around so-called “intimidation points”, have ground to a halt for the same reason. Also extremely worrying is the ongoing shortfall in funding for the Housing Executive. It is estimated that an additional £1bn is required over a ten-year period to undertake necessary repairs and improvements to the stock, without which there is the danger that a proportion of the stock will have to be “decommissioned” for health and safety reasons.

The Welfare Reform “mitigation” package introduced in stages in 2016 and 2017 has succeeded in protecting many low-income households,

¹² These trends appear to differ from those seen in the Rest of the UK, according to the available UK-wide data source (UKHLS).

especially social tenants, from significant reductions in their benefits to date, and is likely to have made a considerable contribution to keeping homelessness in Northern Ireland relatively stable, at least with respect to rough sleeping and temporary accommodation placements. However, this protection is due to come to an end in March 2020. The ending of protection from the Social Sector Size Criteria ("Bedroom Tax") for 34,000 tenants in the social sector poses a considerable risk that it will lead to rising arrears and ultimately to higher levels of homelessness, particularly in view of the mismatch between the social housing stock and bedroom requirements of smaller households as determined by the "Bedroom Tax". The option of using Discretionary Housing Payments is by no means an ideal way of addressing this issue, not least because of their budget-limited as well as discretionary nature.

The Work and Pensions and Northern Ireland Affairs Committees published their joint report on *Welfare policy in Northern Ireland*¹³ on 9 September 2019. The key recommendation was that the mitigation package should be extended for a further four years beyond March 2020 and that this would include the Social Sector Size Criteria ("Bedroom Tax") and benefit cap mitigations as well as disability-related mitigation payments and mitigation for 16-year olds transitioning from Disability Living Allowance to Personal Independence Payments. Other recommendations include: making Discretionary Support Awards less restrictive (in particular, by removing a specific income ceiling); that the Secretary of State for Northern Ireland should make a statement to Parliament as soon as possible stating the Government's intention to pass legislation to extend the mitigation package in a Northern Ireland Budget

13 Northern Ireland Affairs Committee (2019) *Welfare policy in Northern Ireland*: House of Commons. Available at: <https://www.parliament.uk/business/committees/committees-a-z/commons-select/northern-ireland-affairs-committee/inquiries/parliament-2017/welfare-policy-in-northern-ireland-inquiry-17-19/>.

Act; undertaking an evaluation of split Universal Credit payments in Scotland to assess an appropriate model for Northern Ireland; halting the implementation of the UK-wide two-child limit on Universal Credit in Northern Ireland and reimbursing families already affected by this restriction. At the time of writing the Government response to these recommendations is awaited.

The private rented sector has grown enormously in Northern Ireland over the past 20 years and is now considerably larger than the social rented sector, albeit that its growth has moderated in recent years. Unlike tenants in the social sector, there has been no mitigation package to protect private sector tenants against the impact of the growing gap between Local Housing Allowance and contractual private rents. Recent research by Housing Rights provides a disaggregated analysis of the situation that shows in only 5 out of the 40 broad rental market area property-type combinations are 20% or more of the properties available to let at below the Local Housing Allowance rate, a rate which should reflect the 30th percentile. Nonetheless, there is little evidence of "no fault" evictions becoming a dominant cause of homelessness, with the loss of rented accommodation cited as a reason for homelessness acceptances in only a relatively modest proportion of total full duty applicant cases (13%), albeit that this category has exhibited a large proportionate increase over the past decade. This paints a very different picture to the massive expansion in the numbers made homeless by the ending of private tenancies witnessed in England since 2010, although the full roll-out of Universal Credit, and the fast approaching so-called "cliff edge", if and when the welfare reform mitigation package ends, may see that position change.

In 2017, the "Northern Ireland Housing Executive Homelessness Strategy 2017-22" was published,¹⁴ together with a "Housing Executive Led Action Plan".¹⁵ This Homelessness Strategy was informed by an independent evaluation of the previous (2012-2017) Strategy,¹⁶ and a 2017 report by the Northern Ireland Audit Office, entitled "Homelessness in Northern Ireland". The Northern Ireland Audit Office called for stepped up action and co-ordination to meet Northern Ireland Housing Executive's targets for reducing homelessness, given rises in statutory homelessness over the period of the 2012-2017 strategy.¹⁷ Together with the Action Plan produced by the Ministers for Social Development, Health and Social Care, and Justice,¹⁸ triggered by rough sleeper deaths in Belfast, the Northern Ireland Audit Office report has been credited with strengthening the new Homelessness Strategy's focus on prevention and housing-led solutions.

The Homelessness Strategy 2017-2022 has five core themes:

1. To prioritise homelessness prevention.
2. To secure sustainable accommodation and appropriate support solutions for homeless households.
3. To further understand and address the complexities of chronic homelessness across Northern Ireland.

14 NIHE (2017) *Homelessness Strategy for Northern Ireland 2017-2022: Ending Homelessness Together*, Belfast: Northern Ireland Housing Executive. Available at: [https://www.nihe.gov.uk/Documents/Homelessness/homelessness-strategy-northern-ireland-2017-2022.aspx?ext=.](https://www.nihe.gov.uk/Documents/Homelessness/homelessness-strategy-northern-ireland-2017-2022.aspx?ext=)

15 Chapter 5 of NIHE (2017) *Ending Homelessness Together: Homelessness Strategy for Northern Ireland 2017-2022*, Belfast: Northern Ireland Housing Executive.

16 Summarised in NIHE (2017) *Ending Homelessness Together: Homelessness Strategy for Northern Ireland 2017-2022*, Belfast: Northern Ireland Housing Executive.

17 McMordie, L. and Watts, B. (2018) 'The Northern Ireland Audit Office Report on Homelessness: A Missed Opportunity', *European Journal of Homelessness*, 12(2), pp. 89-113.

18 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. and Watts, B. (2016) *The Homelessness Monitor: Northern Ireland 2016*, London: Crisis.

19 NIHE (2017) *Homelessness Strategy for Northern Ireland 2017-2022: Ending Homelessness Together*, Belfast: Northern Ireland Housing Executive. Available at: [https://www.nihe.gov.uk/Documents/Homelessness/homelessness-strategy-northern-ireland-2017-2022.aspx?ext=.](https://www.nihe.gov.uk/Documents/Homelessness/homelessness-strategy-northern-ireland-2017-2022.aspx?ext=)

20 NIHE (2019) *Chronic Homelessness Action Plan*, Belfast/Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Supporting-Documents/RS-246-02-19-Chronic-Homelessness-Action-Plan-ACCE.aspx>.

4. To ensure the right mechanisms are in place to oversee and deliver this strategy.
5. To measure and monitor existing and emerging need to inform the ongoing development of appropriate services.

Most of our key informants were fairly satisfied with the Strategy's content, and consistent with this, Northern Ireland Housing Executive reported that 90% of consultation responses on the draft Strategy endorsed its vision and objectives.¹⁹ Especially well-received was the prioritisation of prevention in the Strategy, linked to the roll out of Northern Ireland's Housing Options approach, known as Housing Solutions and Support, which was generally welcomed, albeit that aspects of its operationalisation were considered problematic by some stakeholders. Moreover, the broadening of focus from shift from a "rough sleeping" to a "Chronic Homelessness Action Plan", brought forward by Northern Ireland Housing Executive as part of Year Two of its Strategy, received an enthusiastic reception.²⁰ However, key informants echoed similar fears as in the 2016 Monitor around a potential implementation gap, exacerbated by a continued lack of new social housing supply (see above), Brexit-related anxieties, and suspension of the Northern Ireland Executive.

An Inter-Departmental Action Plan 2017-18, published and led by Department for Communities, is intended to complement the new Northern Ireland Housing Executive Homelessness Strategy, by focusing on non-accommodation aspects of homelessness-related interventions.²¹ It sets out five priority areas: Health and wellbeing, including mental health and substance misuse; Education and awareness raising – children, young people, schools and providers; Support for those leaving places of care, including a range of institutions; Support for families, including those experiencing domestic violence; Employability, financial capability and access to benefits. A Year 1 report of the Action Plan for 2017-18,²² and a Year 2 Action Plan for 2019-2020, have now been published.²³ In the latter document it was acknowledged that a more outcome-focussed approach was required going forward.

This Inter-Departmental Action Plan stream of work was welcomed by key informants, especially the establishment of a pilot Homeless Healthcare Hub in Belfast, designed to provide outreach care to those who are sleeping rough or in hostel accommodation. However, not all key informants were persuaded by the focus of all of the actions in the Plan. For instance, a key action for Education is around developing a section of the Active Citizenship curriculum for school children that

encompasses issues linked with homelessness, but was criticised by some key informants as not being sharply focussed enough on those young people at highest risk.

As reported in the last Homelessness Monitor in 2016, Department for Communities led a Supporting People review published in November 2015²⁴ which recommended moving away from primarily accommodation-based provision to more floating support models. A new strategic commissioning approach was also intended to rationalise floating support and other Supporting People-funded services, with a focus on the achievement of better value for money via competitive selection. In September 2018, Department for Communities published an Action Plan for the Implementation of this Supporting People review.²⁵ There have been no cuts to the Supporting People budget in Northern Ireland on anything like the scale seen in England,²⁶ but funding levels have been static since 2008, with no inflation-related uplift, so in real terms there have been year-on-year reductions. On the other hand, the ring fence round Supporting People funding, now removed in both England and Scotland, currently remains in place in Northern Ireland, a fact welcomed by voluntary sector providers, though this is now under review.

Conclusion

This year's Homelessness Monitor, the last in the current series, was written at a moment of great uncertainty in Northern Ireland. Even more than the rest of the UK, Northern Ireland faces economic, social and political consequences arising from Brexit, with much depending on the success of the special arrangements envisaged. Coupled with the policy and legal stasis introduced by the collapse of the Northern Ireland Assembly in January 2017, it is remarkable that we are able to report on at least some positive developments on homelessness since the last Monitor in 2016, not least the roll-out of Housing Solutions and Support across the jurisdiction. However, the potential ending of the welfare reform mitigation package in March 2020 is clearly a very significant and urgent concern, and so too is the growing pressure on the (already modest) social housing supply in Northern Ireland. The potentially deleterious homelessness impacts of these twin developments are obvious and worrying.

- 21 DfCNI (2017) *Inter-Departmental Homelessness Action Plan: Priorities and Actions for 2017–2018*, Belfast/Online: Department for Communities. Available at: <https://www.justice-ni.gov.uk/sites/default/files/publications/communities/dfc-inter-departmental-homelessness-action-plan.pdf>.
- 22 DfCNI (2018) *Interdepartmental Homelessness Action Plan 2017–18: Year 1 Report*, Belfast/Online: Department for Communities. Available at: <https://www.justice-ni.gov.uk/sites/default/files/publications/communities/dfc-inter-departmental-homelessness-action-plan-year1-report-1718.pdf>.
- 23 DfCNI (2019) *Interdepartmental Homelessness Action Plan 2019–20: Year 2 Action Plan*, Belfast/Online: Department for Communities. Available at: <https://www.justice-ni.gov.uk/sites/default/files/publications/communities/dfc-inter-departmental-homelessness-action-plan-year2-report-1920.pdf>.
- 24 DSD (2015) *Review of Supporting People: Final Report*, Belfast: Department for Social Development. Available at: <https://www.communities-ni.gov.uk/sites/default/files/publications/dsd/review-of-supporting-people-report.PDF>; DSD (2016) *Action Plan for the Implementation of the Supporting People Review*, Belfast: Department for Social Development.
- 25 DSD (2015) *Review of Supporting People: Final Report*, Belfast: Department for Social Development. Available at: <https://www.communities-ni.gov.uk/sites/default/files/publications/dsd/review-of-supporting-people-report.PDF>.
- 26 Fitzpatrick, S., Pawson, H., Bramley, G., Wood, J., Watts, B., Stephens, M. and Blenkinsopp, J. (2019) *The Homelessness Monitor: England 2019*, London: Crisis.

Introduction

1. Introduction

1.1 Introduction

This study provides an independent analysis of the homelessness impacts of recent economic and policy developments in Northern Ireland. It considers both the consequences of the post-2007 economic and housing market recession, and the subsequent recovery, and also the impact of policy changes implemented under the post-2010 UK Governments, as well as relevant Northern Ireland Executive policies. At the time of writing, Northern Ireland had had no functioning Government for two and a half years after the collapse of the power-sharing agreement in Stormont in January 2017.

This “update” report provides an account of how homelessness stands in Northern Ireland in 2019 (or as close to 2019 as data availability will allow), and analyses key trends in the period running up to 2019. This year’s report focuses in particular on what has changed since we published the last Homelessness Monitor Northern Ireland in 2016. Readers who would like a fuller account of the recent history of homelessness in Northern Ireland should consult with the previous Homelessness Monitors for Northern Ireland available on Crisis’s website.²⁷ Parallel Homelessness Monitors are being published for other parts of the UK.

1.2 Definition of homelessness

A wide definition of homelessness is adopted in this study, and we consider the impacts of relevant policy and economic changes on all of the following homeless groups:

- People sleeping rough.
- Statutorily homeless households – that is, households who seek housing assistance from the Northern Ireland Housing Executive (NIHE) on grounds of being currently or imminently without accommodation.
- “Hidden homeless” households – people may be in a similar housing situation to those who apply to housing authorities as homeless, that is, lacking their own secure, separate accommodation, without formally applying or registering with NIHE. Such people are sometimes referred to as “hidden homeless”, although perhaps it would be more accurate to characterise some of these groups as people with unmet housing needs who are at risk of homelessness. A number of large-scale/household surveys enable us to measure some particular categories of potential hidden homelessness or wider risk of homelessness: *concealed households*; households who are *sharing* accommodation; and *overcrowded* households. It

is important to emphasise that not everyone living in the situations discussed in this section will actually be homeless, but these phenomena are indicative of the kinds of housing pressures that may be associated with hidden homelessness or a risk of falling into homelessness.

Further details on the definitions used for each of these categories are given in subsequent chapters.

1.3 Research methods

Three main methods have been employed in this longitudinal study:

- First, relevant literature, legal and policy documents have been reviewed.
- Second, we have undertaken in-depth interviews with seven key informants. This includes representatives of service provider organisations and others well placed to comment on the homelessness impacts of policy changes and economic developments in Northern Ireland.
- Third, we have undertaken statistical analysis on a) relevant economic and social trends in Northern Ireland; and b) the scale, nature and trends in homelessness amongst the four sub-groups noted above.

1.4 Causation and homelessness

All of the Homelessness Monitors are underpinned by a conceptual framework on the causation of homelessness that has been used to inform our interpretation of the likely impacts of economic and policy change.²⁸

Theoretical, historical and international perspectives indicate that the causation of homelessness is complex, with no

single “trigger” that is either “necessary” or “sufficient” for it to occur. Individual, interpersonal and structural factors all play a role – and interact with each other – and the balance of causes differs over time, across countries, and between demographic groups.

With respect to the main structural factors, international comparative research, and the experience of previous UK recessions, suggests that housing market trends and policies have the most direct impact on levels of homelessness, with the influence of labour market change more likely to be lagged and diffuse, and strongly mediated by welfare arrangements and other contextual factors. The central role that poverty plays in shaping homelessness risks in the UK is also now well established.²⁹

The individual vulnerabilities, support needs and “risk taking” behaviours implicated in some people’s homelessness are themselves often, though not always, rooted in the pressures associated with poverty and other forms of structural disadvantage. At the same time, the “anchor” of social relationships which can act as a primary “buffer” to homelessness, can be put under considerable strain by stressful financial circumstances. Thus, deteriorating economic conditions in Northern Ireland and elsewhere in the UK could also be expected to generate more “individual” and “interpersonal” vulnerabilities to homelessness over time.

1.5 Structure of report

Chapter 2 reviews the current economic context and the implications of housing market developments for homelessness. Chapter 3 shifts focus to the UK Government and Northern Ireland Executive’s homelessness, housing and welfare policy agendas

²⁷ See *The Homelessness Monitor: Crisis*. Available at: <http://www.crisis.org.uk/pages/homelessnessmonitor.html>.

²⁸ For a more detailed account of this conceptual framework please consult with Chapter 2 in the very first Homelessness Monitor: Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2011) *The Homelessness Monitor: Tracking the impacts of policy and economic change in England 2011-2013*. London: Crisis.

²⁹ Bramley, G. and Fitzpatrick, S. (2018) ‘Homelessness in the UK: who is most at risk?’, *Housing Studies*, 33(1), pp. 96-116.

and their likely homelessness impacts. Chapter 4 provides a fully updated analysis of the available statistical data on the current scale of, and recent trends in, homelessness in Northern Ireland. All of these chapters are informed by the insights derived from our in-depth interviews with key informants conducted in 2019. In Chapter 5, we summarise the main findings of this update report.

Economic factors

2. Economic factors that may impact on homelessness

2.1 Introduction

This chapter sets the broader social, economic and housing context to homelessness in Northern Ireland. Our assessment takes place at a time of great uncertainty caused by Brexit and the absence of a power-sharing agreement in Northern Ireland. The chapter examines the performance of the Northern Irish economy and its impacts on the labour market and trends in poverty. We examine the housing market context in terms of the balance between supply and the demand that is anticipated from household growth and other demographic change. We also examine each of the main tenures, considering access, affordability and evidence of arrears and evictions.

2.2 The broader economic context

In recent years, the UK economy has become locked into a pattern of low growth combined with high levels of employment. The Office of Budgetary Responsibility (OBR) is charged

with basing its forecasts on current Government policy, which is presently problematic due to the uncertainties surrounding Brexit, and post-Brexit policy.³⁰ Nominal growth in GDP was slower in the closing months of 2018 than the OBR expected and the forecast for the year is 1.4% compared to 1.8% in 2017. In real terms, growth was negative: minus 1.5% in 2017 and minus 1.7% in 2018.³¹ Similarly anaemic growth rates are forecast up to 2023, although there is little point in detailing them given the uncertainty surrounding Brexit.

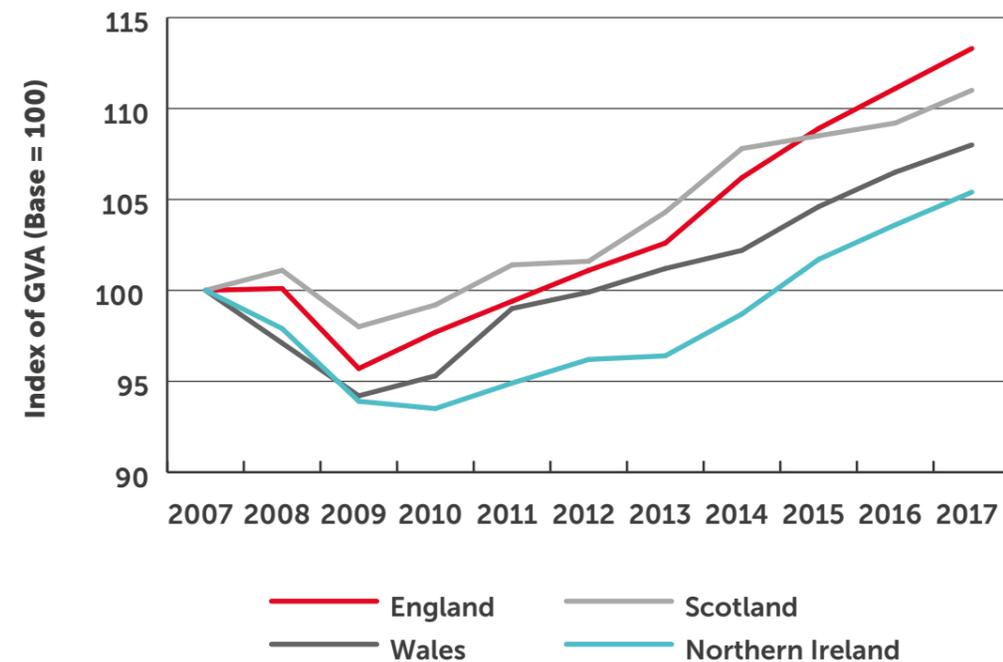
The uncertainty following the vote to leave the EU in the 2016 referendum has already depressed economic growth across the UK with the result that the economy was 2.5% smaller at the end of 2019 than it would have been had the UK voted to remain.³²

The uncertainty throughout 2019 surrounded whether the interim agreement negotiated by Theresa

³⁰ OBR (2019) *Economic and fiscal outlook - March 2019*, Online: Office for Budget Responsibility. Available at: <https://obr.uk/efo/economic-fiscal-outlook-march-2019/> p.1

³¹ Ibid., Table 1.1

³² Hantzsche, A and Young, G (2019) The economic impact of Prime minister Johnson's new Brexit deal, *National Institute Economic Review*, No. 250, pp. F34-F37

Figure 2.1 Growth in Real Gross Value Added 2007-17

Note: GVA(B) in chained volume measure; 2007 = 100

Source: Calculated from: ONS Regional economic value by gross value added (balanced), UK: 1998 to 2017 <https://www.ons.gov.uk/economy/grossvalueaddedgva/bulletins/regionalgrossvalueaddedbalancedduk/1998to2017>

May's government would be implemented, or indeed whether any agreement would be reached before the UK left the EU. Fears of a "no deal" Brexit were allayed when Boris Johnson's government was able to reach an agreement with the EU that commanded a majority in the House of Commons. The Conservatives' election victory in December 2019 provides a stable majority for the agreement.

The current agreement is similar to the previous in that it provides for a transition period during which time the UK and the EU intend to reach a long-term trade agreement. Assessments of the longer-term economic impacts of Brexit therefore depend on the nature of this agreement. The government's intent appears to be for a free trade agreement which is somewhat looser than the close alignment anticipated in the previous agreement. Nonetheless

a free trade agreement is less harmful than what is termed a 'disorderly' exit at the end of the interim agreement. Although there is provision to extend the interim agreement beyond December 2020, the UK government maintains that there shall be no extension.

The principal difference between the previous and current agreements relates to the relationship between Northern Ireland and the Republic of Ireland. Both deals sought to avoid a 'hard' border in Ireland. The previous deal aimed to achieve this by establishing a temporary customs union between the UK and EU until technology was developed to allow tariffs to be paid without physical checks at the Irish border. The current deal takes the whole of the UK out of the customs union but a 'dual tariff regime'³³ will operate in Northern Ireland. Whilst Northern Ireland will

in effect remain part of the European single market, it will also be part of a 'customs territory' with Great Britain. Customs checks will be conducted only on goods imported from GB that are likely to be destined for ROI. This is undoubtedly a complex arrangement. A leaked Treasury presentation warned of price increases and loss of employment, whilst a leaked memorandum prepared by the Department for Exiting the EU warned of 'security, social and economic impacts' and expressed doubts about whether the operational systems could be put in place by December 2020.³⁴

Assuming a free trade agreement is reached, the NIESR forecasts that the UK economy will be 3.5% smaller in a decade's time than had the UK remained in the EU.³⁵ The Institute's assessment of regional impacts is that the Northern Ireland economy would be 3.3% smaller than had the UK remained in the EU, in other words slightly less unfavourably impacted than other regions.

The value of outputs in an economic "region" (below the level of the nation state) are normally measured by Gross Value Added (GVA). GVA measures "the increase in the value of the economy due to the production of goods and services".³⁶ GVA(B), used in Figure 2.1, has the advantage of measuring output "at current basic prices..., which include the effect of inflation, and in "real" terms in chained volume measures [CVM], with the effect of inflation removed".³⁷

Northern Ireland experienced a more severe recession than England, Scotland or Wales with its economy shrinking by 6.5% compared to its 2007 level (Figure 2.1). Whereas output rose above 2007 levels in England and Scotland in 2012, and 2013 in Wales, it did not do so in Northern Ireland until 2015. Nonetheless GVA growth in 2015 was stronger than in England, Scotland or Wales, and ahead of Scotland and Wales in 2016 and 2017. However, in 2017 (the most recent year for which data is available), GVA in Northern Ireland was only 5.4% above the level a decade earlier, whereas it was more than 10% above this level in England (13.3%) and Scotland (11.0%), and 8% above it in Wales. The Economic Policy Centre expects GVA to grow at annual rates of between 1.1% and 1.5% up to 2021 – similar rates as the UK.³⁸

The Northern Ireland Composite Economic Index, which is based on a range of official statistics including surveys of sectors of the economy and employment data, shows similar trends, but with the economic activity still below 2007 levels.³⁹ It provides more recent data, which suggests that the economy grew by 1.5% in real terms in the year to the first quarter of 2019, with growth recorded across all four (construction, services, production and public) sectors. Of these, the contributions of the production and construction sectors were the greatest. However, the Northern Ireland Statistics and Research Agency believe that the rate of growth was lower (1.5%) than in the UK as a whole (1.8%).⁴⁰

34 Islam, F (2019) General election 2019: Leaked document raises fresh concerns about GB-NI trade after Brexit, BBC website, 9 December

35 Hantzsche and Young, op cit.

36 ONS (2018) *Regional economic activity by gross value added (balanced), UK: 1998 to 2017*, Online: Office for National Statistics. Available at: <https://www.ons.gov.uk/economy/grossvalueaddedgva/bulletins/regionalgrossvalueaddedbalancedduk/1998to2017>.

37 Ibid.

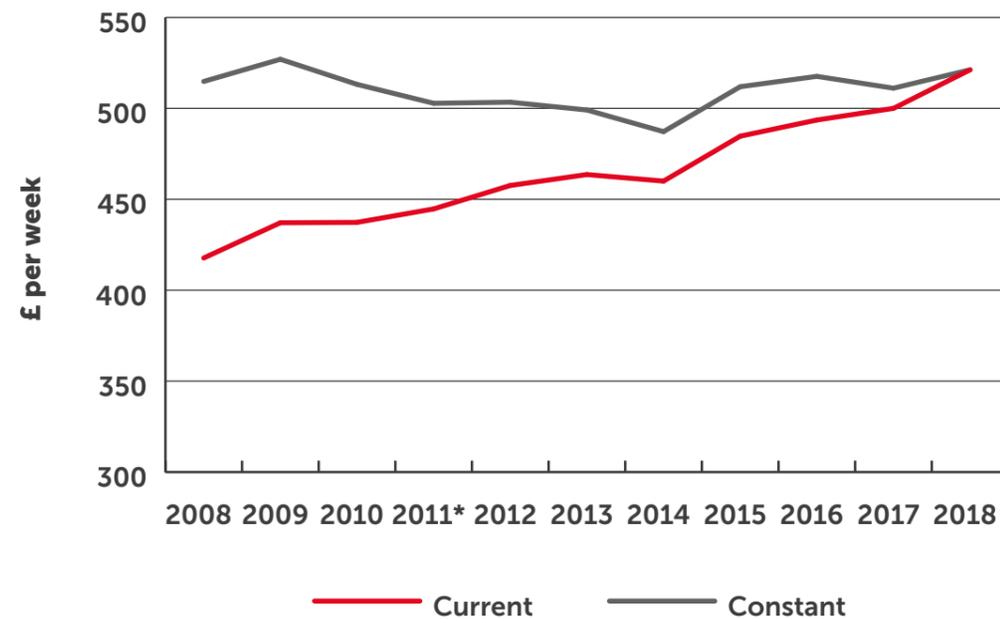
38 Ulster University Economic Policy Centre (2018) *Outlook – Winter 2018* https://www.ulster.ac.uk/___data/assets/pdf_file/0016/254005/UUEPC_Outlook_Winter2018_FINAL.pdf

39 NISRA (2019) *Northern Ireland Composite Economic Index*, Belfast/Online: Northern Ireland Statistics and Research Agency. Available at: <https://www.nisra.gov.uk/system/files/statistics/NI-Composite-Economic-Index-Statistical-Bulletin-Q1-2019.pdf>.

40 Ibid. p. 9

33 Ibid.

Figure 2.2 Median full-time gross weekly earnings in current and constant (2018) prices, April 2008 to 2018 (£ per week)



Note: (*) change in methodology

Source: Northern Ireland Annual Survey of Hours and Earnings 2018

<https://www.nisra.gov.uk/system/files/statistics/NI-ASHE-Bulletin-2018-1-Overview-of-earnings.pdf>

Employment rates for the quarter December 2018 to February 2019, show a rise to 71.2% (of 16-64 year olds) in Northern Ireland.⁴¹ Although the rise (of 1.4%) over the previous quarter was the greatest of any country or region in the UK, other than in the North West of England, employment levels remain the lowest in the UK, some 4.9% below the UK average.⁴² Further, there has been a trend towards “non-standard” contracts with “close to one in five of those employed in part-time working arrangements and over one [in] four of those in temporary working

arrangements... doing so involuntarily, because either they could not find a full-time or permanent job”.⁴³ At 3%, unemployment in Northern Ireland is the second lowest of any country or region in the UK, but more than one quarter (26.6%) of 16-64 year olds are classified as being economically inactive.⁴⁴ Indeed, part of the explanation for falling unemployment is “a significant number of people transferring from unemployment to economically inactive”.⁴⁵ This is the highest level in the UK, where the inactivity rate is 20.7%.⁴⁶ In Northern Ireland inactivity rates have been

41 ONS (2019) *Regional labour market statistics in the UK: April 2019*, Online: Office for National Statistics. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/april2019>. Table 1: Summary of latest headline estimates for regions of the UK, seasonally adjusted, December 2018 to February 2019

42 Ibid.

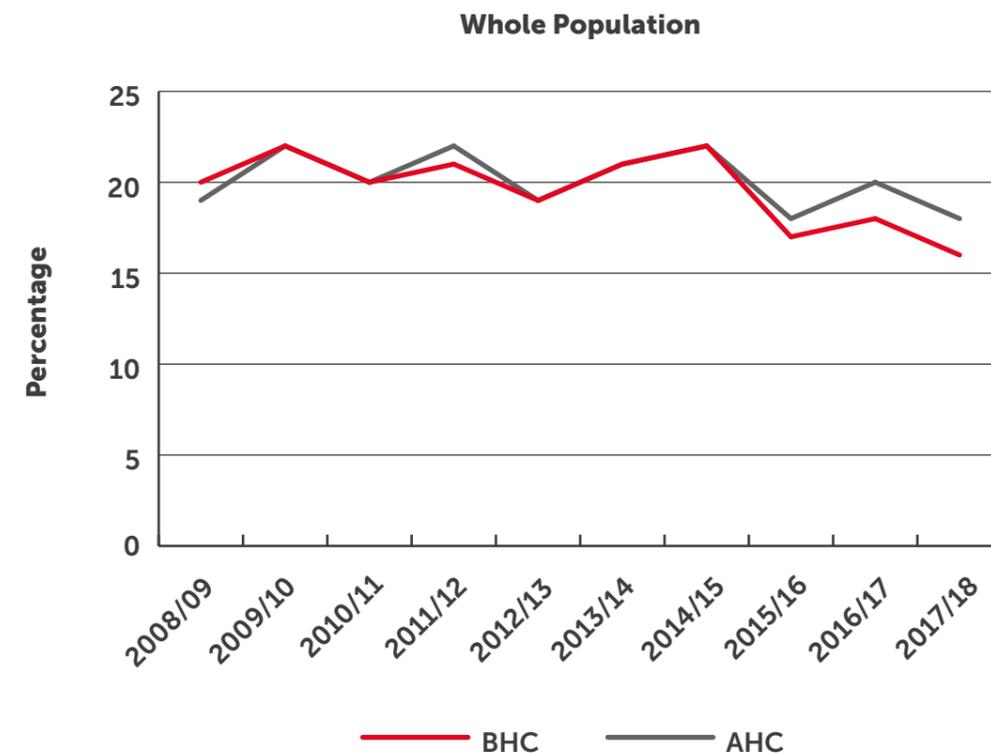
43 Wilson, L. (2017) *Patterns and trends in employment arrangements and working hours in Northern Ireland*, Online: NERINERI WP 2017/No 45). Available at: https://www.nerinstitute.net/download/pdf/patterns_and_trends_in_standard_and_nonstandard_employment_in_northern_ireland_final.pdf, p.33

44 Ibid.

45 Ulster University Economic Policy Centre (2018) *Outlook - Winter 2018*, Online: Ulster University. Available at: https://www.ulster.ac.uk/_data/assets/pdf_file/0016/254005/UUEPC_Outlook_Winter2018_FINAL.pdf.

46 ONS (2019) *Regional labour market statistics in the UK: April 2019*, Online: Office for National Statistics. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/april2019>.

Figure 2.3 (a)-(d) Relative Poverty before and after housing costs (2008/09-2017/18)



volatile but upwards since 2012, in contrast to the UK as a whole where they have declined steadily.⁴⁷

Earnings⁴⁸ in Northern Ireland are some 8.4% lower than the UK average. As in the rest of the UK, earnings growth has been squeezed since the Global Financial Crisis. Figure 2.2 shows that, adjusted for inflation, median full-time earnings returned to the 2008 level in 2016, but fell below the 2008 level in 2017 before returning to the 2008 level in 2018. Real earnings fell between 2009 and 2014, when even cash earnings fell.

Poverty

Relative poverty in Northern Ireland (see note under Figure 2.3 for

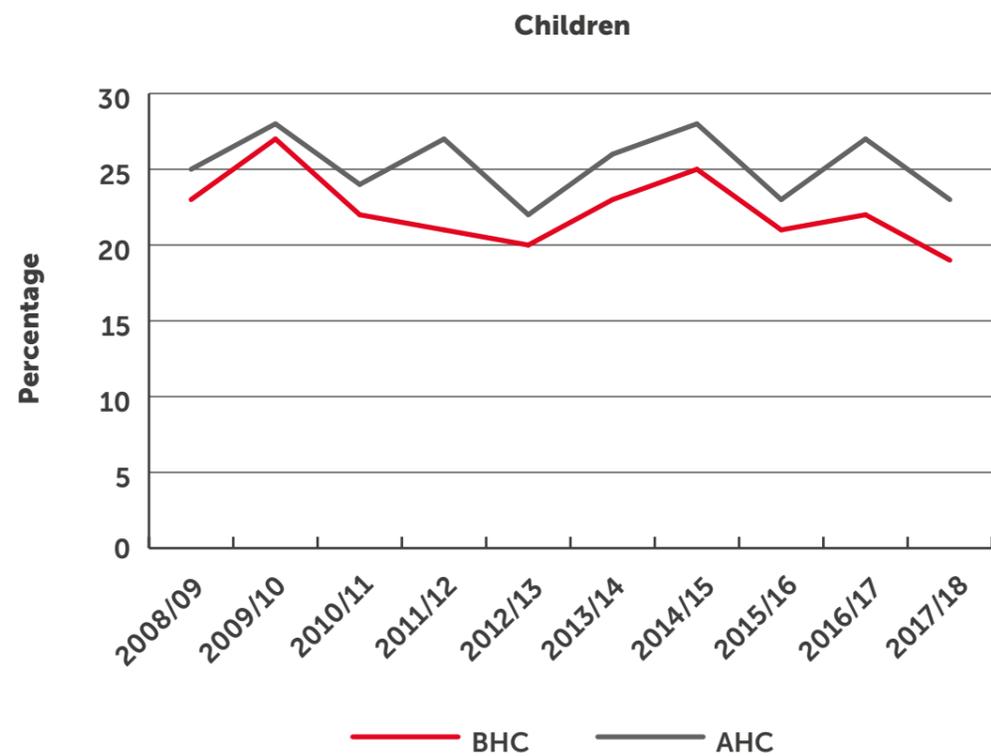
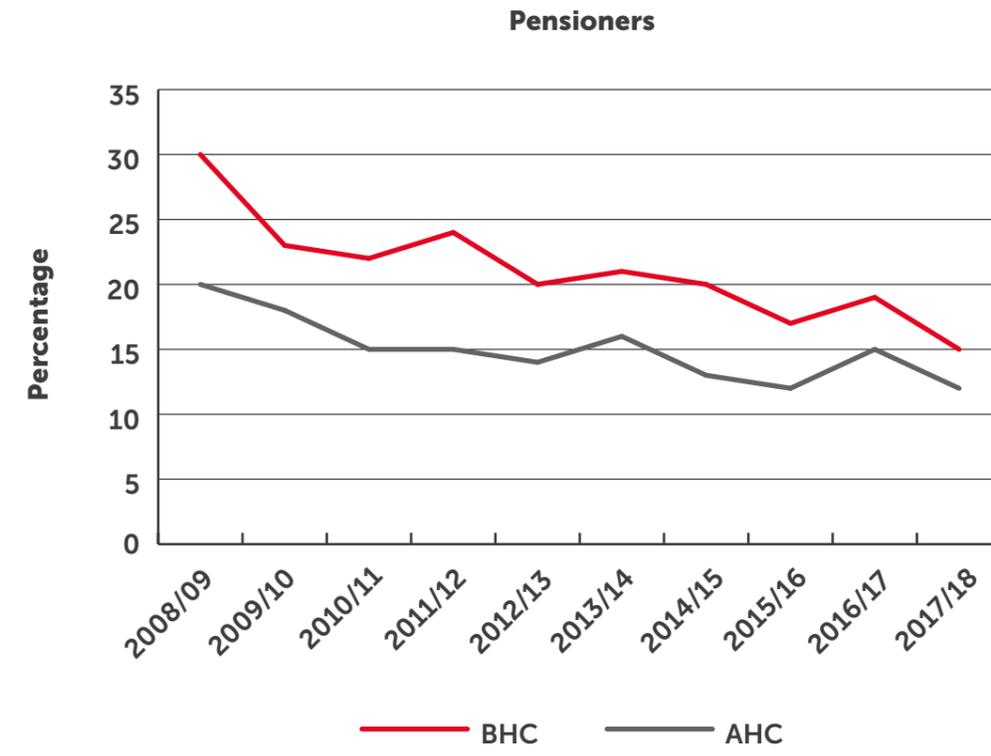
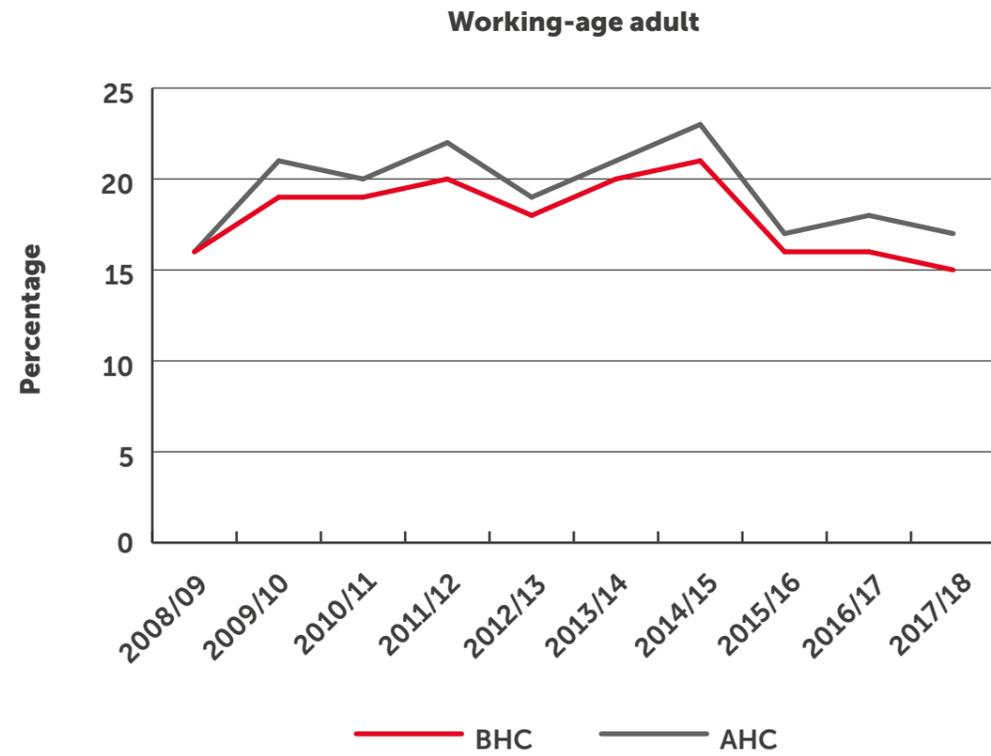
definition) stands at similar levels to the UK as a whole. In 2017/18, 16% of people in Northern Ireland lived in relative poverty before housing costs (BHC) compared to 17% in the UK.⁴⁹ However, after housing costs are taken into account poverty rises by two percentage points in Northern Ireland whereas in England it rises by 5 percentage points. This leaves Northern Ireland with an after housing cost (AHC) relative poverty rate of 18%, some 4 percentage points lower than in the UK (22%). Relative poverty BHC is lower than it was a decade ago, although the falls arose after 2015/16.

A striking feature of poverty in Northern Ireland is the small gap between before and after housing cost

47 Ulster University Economic Policy Centre (2018) *Outlook - Winter 2018*, Online: Ulster University. Available at: https://www.ulster.ac.uk/_data/assets/pdf_file/0016/254005/UUEPC_Outlook_Winter2018_FINAL.pdf.

48 Median gross full-time earnings in Northern Ireland were £521 compared to the UK average of £569 in 2018. NI Annual Survey of Hours and Earnings, Figure 1.

49 DfCNI (2019) *Northern Ireland Poverty Bulletin 2017-18*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/publications/northern-ireland-poverty-bulletin-2017-18>, Table A1; Household Below Average Incomes Summary Table 3a



Units: Percentage of population group living in households with income less than 60% of the UK median household income adjusted for household composition
Source: Northern Ireland Poverty Bulletin 2017-18, Table A1

poverty (Figure 2.3a). Over the decade to 2017/18 the average difference between these two rates of poverty was a single percentage point, and in four of the ten years there was no difference. However, there is variation between different population groups. The experience of working-age adults is similar to the population as a whole (Figure 2.3b), but children experience a much stronger impact arising from housing costs. On average over the past decade, children experienced a 3 percentage point rise in poverty as a result of higher housing costs (Figure 2.3c). In contrast, pensioners who are most likely to own their homes outright and therefore experience low housing costs, experienced a 6 percentage point drop in poverty as a result of housing costs (Figure 2.3d), although this seems to have declined over the decade from 10 percentage points in 2008/09 to three in 2017/18.

The interpretation of relative poverty measures should be treated with some caution, especially when real incomes are squeezed, since relative poverty is measured by comparing actual incomes (adjusted for household composition) to the median. However, “absolute” poverty rates have fallen over the past decade both before and after housing costs in Northern Ireland (Table 2.1).

Northern Ireland has some of the lowest housing costs in the UK (Figure 2.4). Private rents are the lowest in the UK, social rents are lower than anywhere else in the UK other than in Scotland, and only homeowners in the North East pay less in mortgage repayments than people in Northern Ireland.

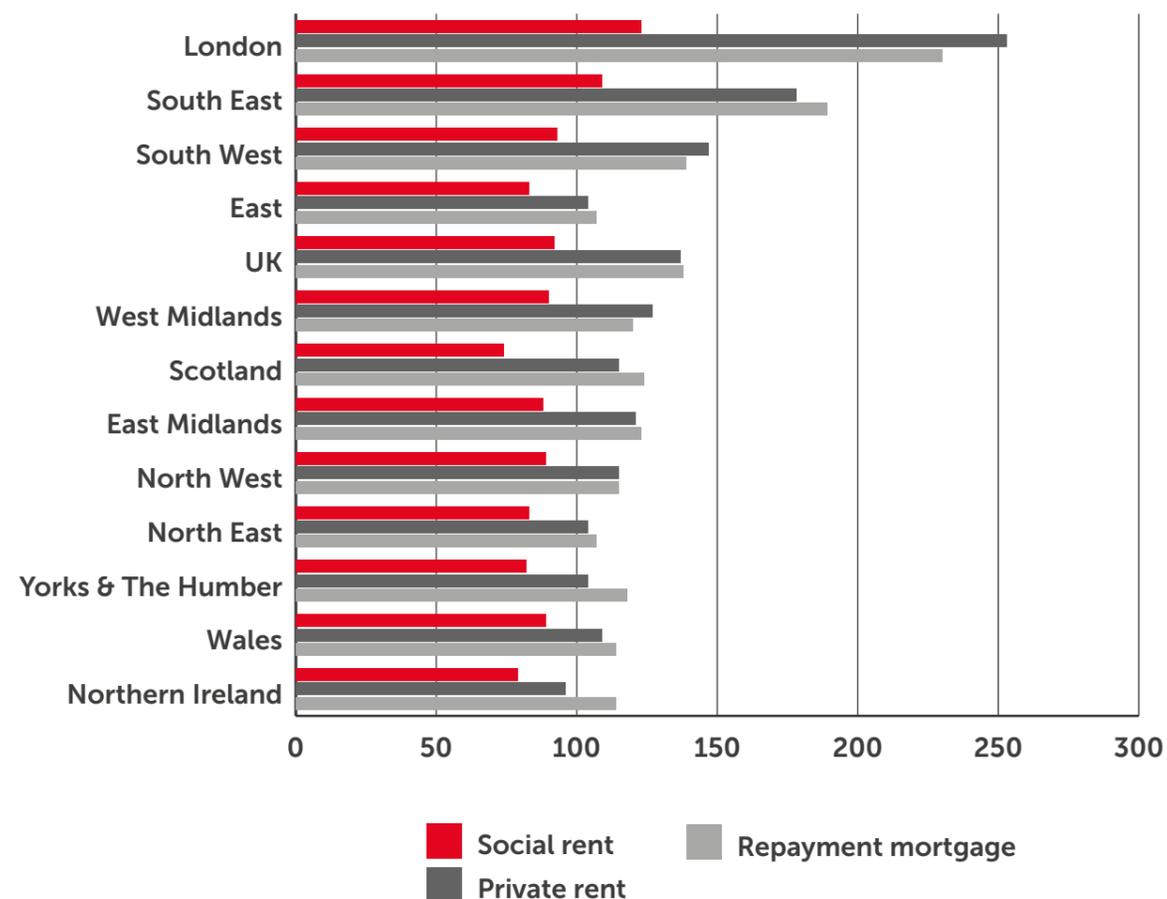
The relatively small gap between private and social rents in Northern Ireland (and Wales, as well as some of the north of England) might be

Table 2.1 Absolute Poverty, 2008/09 and 2017/18

		2008/09	2017/18
Whole population	BHC	19	14
	AHC	19	15
Children	BHCw	22	16
	AHC	25	19
Working-age adults	BHC	15	13
	AHC	16	14
Pensioners	BHC	29	14
	AHC	20	9

Note: Absolute Low-Income or absolute income poverty is defined as the proportion of the population group living in a household whose income (adjusted for household composition) is less than 60% of the inflation adjusted median UK household income in 2010/11

Source: Northern Ireland Poverty Bulletin 2017-18, Table A2

Figure 2.4 Median household weekly rent/ mortgage repayment (£) by region/ country, 2017/18

Source: Family Resources Survey 2017/18, Table 3.8

expected to limit the impact of the tenure shift towards private renting on AHC poverty (Figure 2.5). Nonetheless, housing costs contribute to a proportionately greater increase in poverty in the private (compared to the social) sector. Poverty rises from 22 to 30% as a result of housing costs in the private rented sector whereas it rises from 32% to 39% among social tenant households in 2016/17.⁵⁰

2.3 Housing demand and supply

The Northern Ireland population resident in households is expected to rise from 1.85 million in 2018 to almost 2 million in 2041 (on the basis of 2016 based projections). As Figure 2.6 shows, the rate of growth of population is expected to fall from more than 8,500 per year in 2017 and 2018 to a little over 6,000 in 2026, around 3,500 in 2036 and about 2,250 in 2041.

However, at the beginning of the forecast period, the rate of growth in households is expected to accelerate from 3,650 in 2017 to a peak of 5,000 in 2024, before declining. Hence the average annual rate of household growth is expected to be 4,334 in the decade up to 2026, 3,410 in the decade up to 2036, and 2,243 in the final five years of the forecast period. The higher proportionate growth in households compared to population arises from the trend towards smaller households – especially among older and childless working age people.

These figures are clearly subject to uncertainty, not least arising from Brexit and Brexit-related uncertainty on net migration. Further, household growth is far from being

a perfect guide to future housing requirements. For example, the number of households is affected by the availability of housing. An increase in housing supply is likely to facilitate the formation of more households. Conversely, a shortage of housing leads to the -build-up of concealed households – people who would like to form their own household but are unable to do so.

Unfortunately, the Crisis/National Housing Federation estimates of housing need do not extend to Northern Ireland. The key model used for housing requirements is produced by the (NI) Department for Infrastructure as part of the regional development strategy. Its most recent estimates based on 2012 household growth projections suggest a need for 94,000 units over the period 2012-2025, or 7,833 per year.⁵¹ Additions to the housing stock have recovered from the depths of the recession, although they have not risen to previous levels (Figure 2.7). The average rate of growth over 2016-2018 was 6,400 units, with 7,056 units being built in 2018, not far short of the “need” estimate.

2.4 Access to home ownership

Owner-occupation remains the largest tenure in Northern Ireland although, as in the rest of the UK, it has declined – to 65% in 2017/18.⁵² Most owner-occupiers own their homes outright (37%) whilst the remainder (28%) are buying with the assistance of a mortgage.⁵³

House prices⁵⁴ in Northern Ireland have risen since the nadir of the recession. The lowest average house

50 DfCNI (2017) *Northern Ireland Housing Statistics 2016-17*, Belfast/Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/publications/northern-ireland-housing-statistics-2016-17>. Tables 6.11 and 6.12

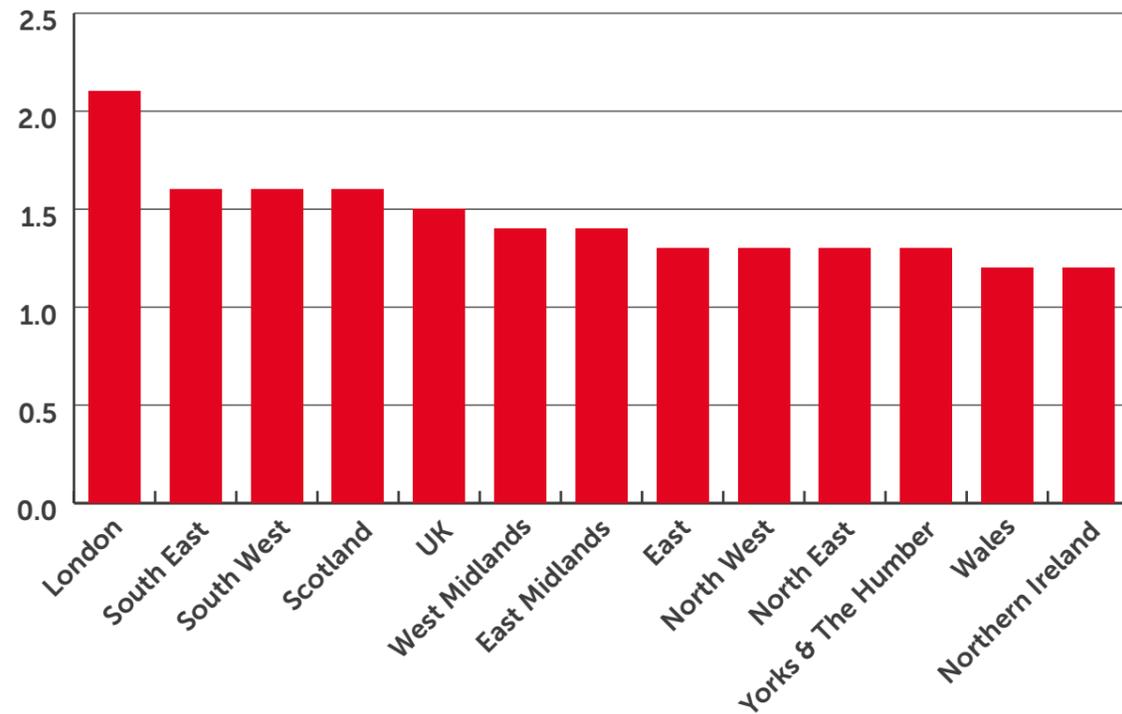
51 DfCNI (2017) *Housing Market Symposium 2017: Final Report and Recommendations*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/dfc-housing-market-symposium-report-2017.pdf>.

52 DWP (2019) *Family Resource Survey: financial year 2017/18*, Online: Department for Work and Pensions. Available at: <https://www.gov.uk/government/collections/family-resources-survey--2>. Table 3.1

53 Ibid.

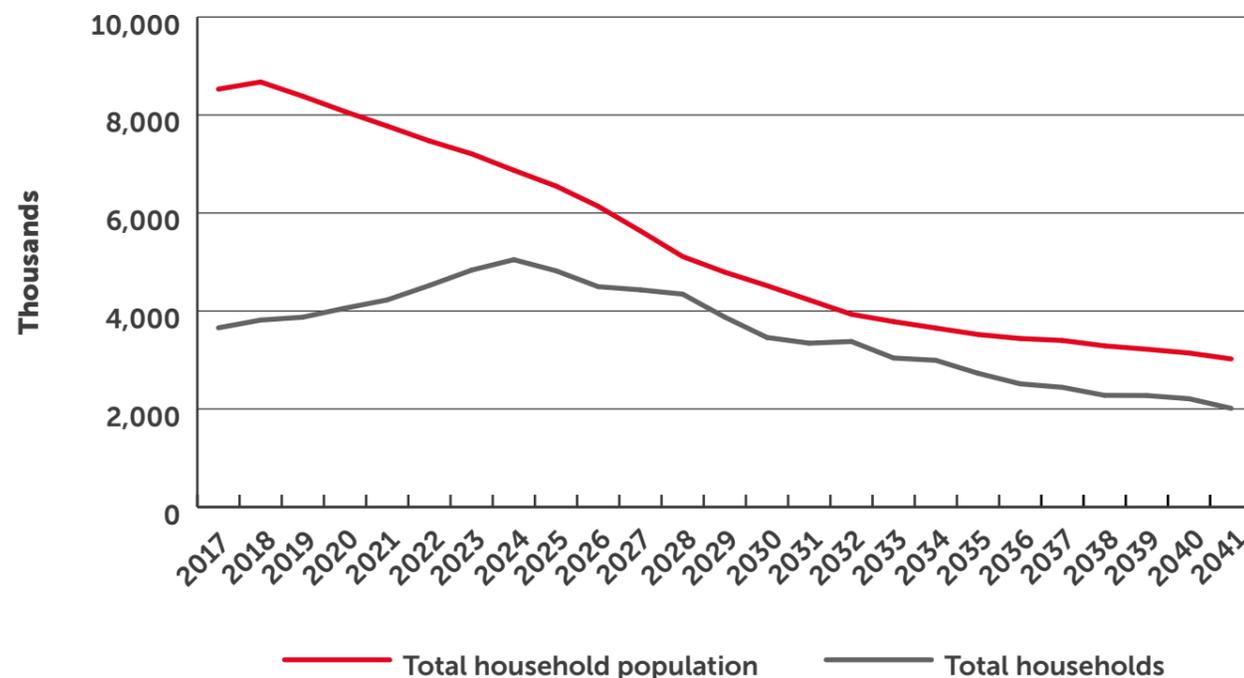
54 HM Land Registry (2019) *UK House Price Index: 2019*, Online: HM Land Registry. Available at: <https://www.gov.uk/government/collections/uk-house-price-index-reports>. Average house price, by UK country, January 2005 to February 2019. Prices adjust using Bank of England inflation calculator.

Figure 2.5 Median private rents as a multiple of median social rents, 2017/18



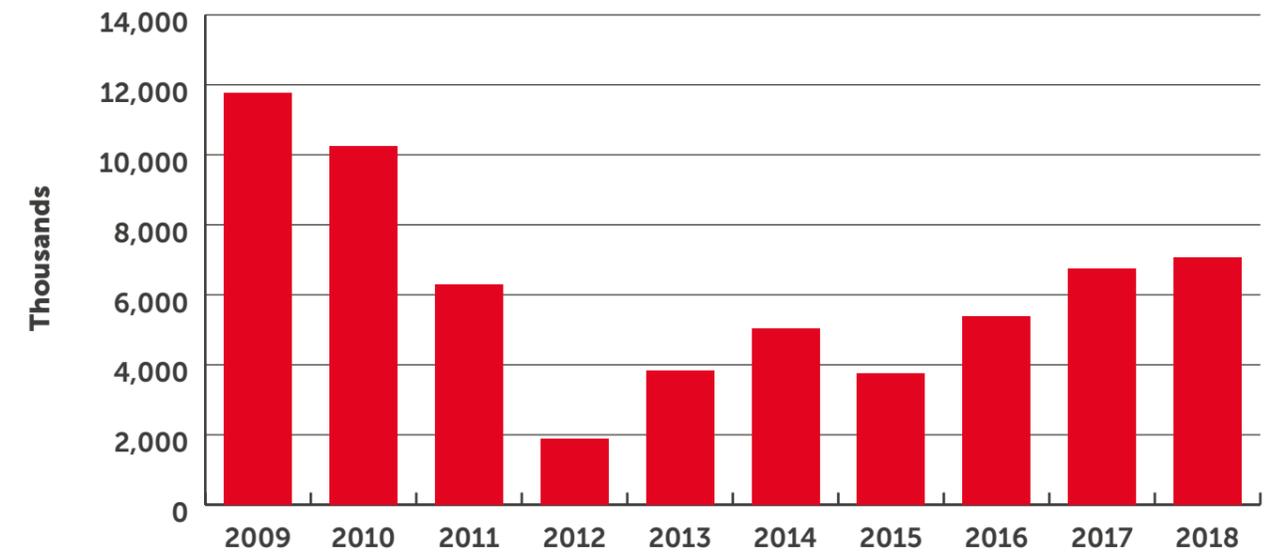
Source: Calculated from Family Resources Survey 2017/18, Table 3.8

Figure 2.6 Annual growth in population and households 2017-2041



Source: Northern Ireland Household Projections (2016 based)

Figure 2.7 Annual increase in housing stock, 2009-2018



Source: Northern Ireland Housing Stock Reference Tables

price was £111,709 in 2013 (Q2 2013: 2018 prices), more than 60% lower in real terms than the 2007 peak of £295,420 (Q2 2007: 2018 prices). By the end of 2018, prices had recovered to £136,669, which was still less than half of the peak value (in real terms). At their peak in 2007, Northern Ireland house prices were the highest of any UK country.

At the end of 2018 they were the lowest, being 6% lower than in Scotland, 14% lower than in Wales, and 44% lower than in England.⁵⁵ Unsurprisingly, the house price boom and bust bequeathed an unresolved legacy of low and negative equity. It has been estimated that 35% of households had low or negative equity in 2014.⁵⁶ Moreover, more than 40 per cent (41%) of people who had taken

out mortgage advances since 2005 were in negative equity in 2014.⁵⁷

Housing transactions (sales and purchases) have also recovered. They fell from 29,000 in 2007 to just under 11,000 the following year.⁵⁸ In 2017, the most recent full year's data, there were almost 25,000 transactions, although in the second and third quarters of 2018 transaction levels were lower than in the equivalent quarters the previous year. The ratio of house prices to earnings gives a crude idea of the affordability of owner-occupied housing in terms of ability to purchase. House prices were 10.4 times median full-time earnings in 2007, falling to 4.4 times in 2013. In 2018, affordability declined somewhat with average house prices now representing almost five times (4.9 x) earnings.⁵⁹ The Ulster University/NIHE

55 Ibid.

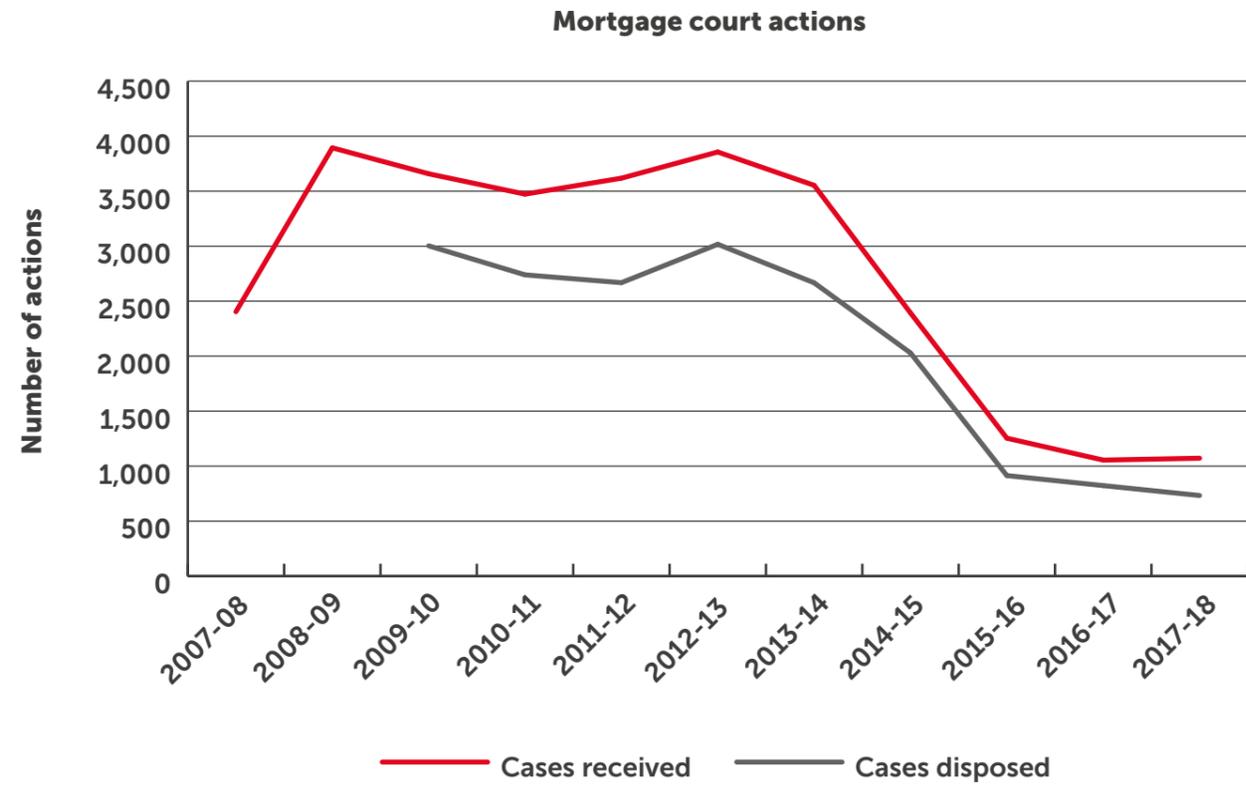
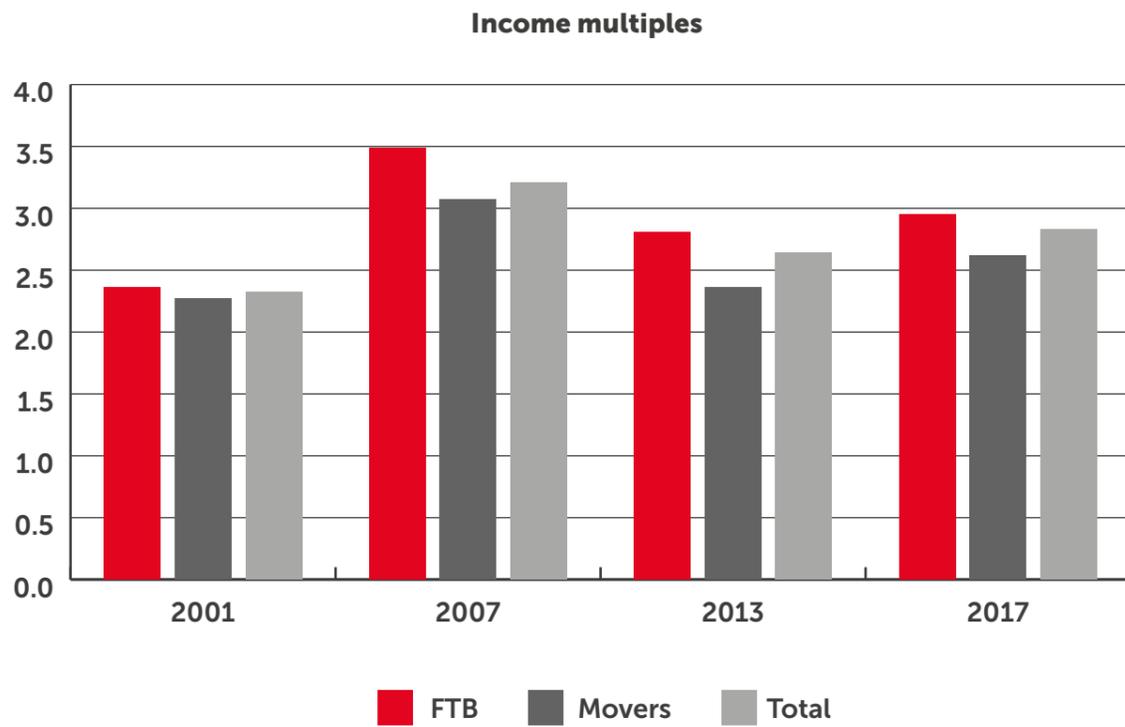
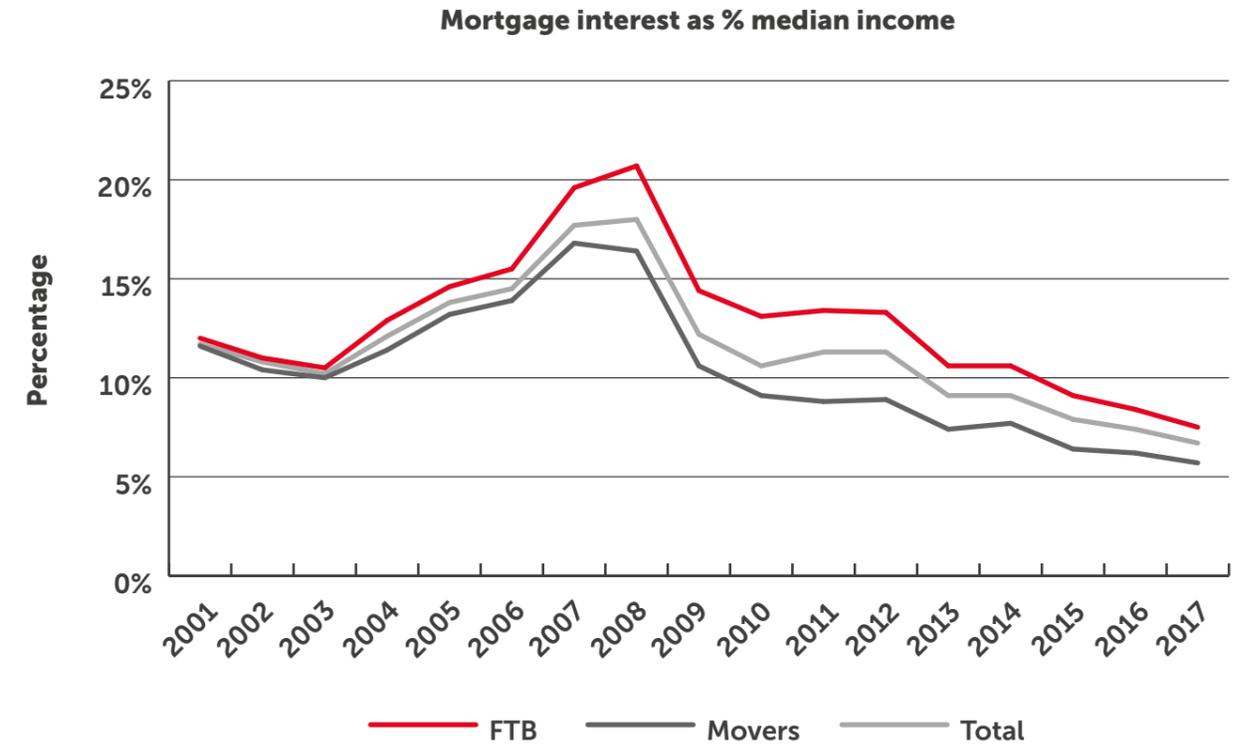
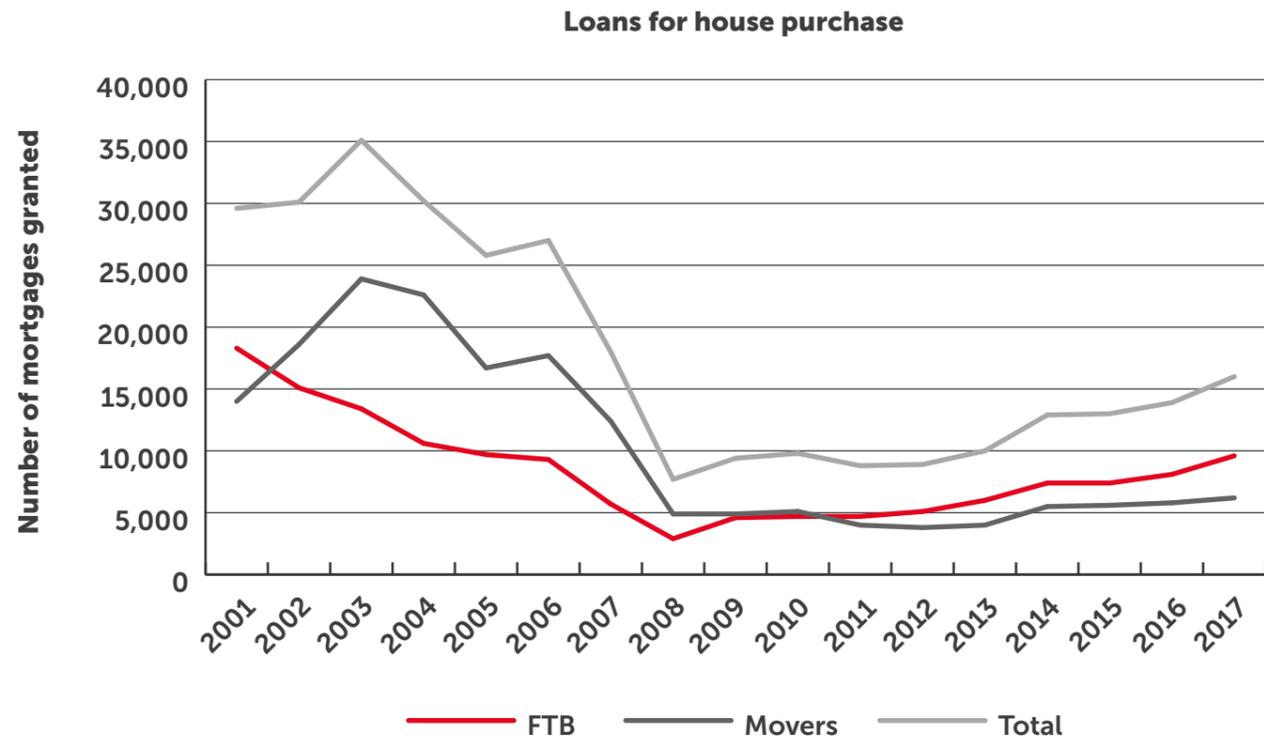
56 DfCNI (2017) *Housing Market Symposium 2017: Final Report and Recommendations*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/dfc-housing-market-symposium-report-2017.pdf>. p.7

57 Ibid.

58 DfCNI (2018) *Northern Ireland Housing Statistics 2017-18*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/publications/northern-ireland-housing-statistics-2017-18>, Table 5.2

59 Mid-year house prices from the UK House Price Index were used for 2007, 2013 and 2018. These years were selected as those in which house prices peaked, bottomed out and are most recently available. Median full-time gross weekly earnings were grossed up to annual amounts and sourced from the Northern Ireland Annual Survey of Hours and Earnings 2017 and 2018.

Figure 2.8 (a-d) Housing market activity and affordability



Source: Northern Ireland Housing Statistics, Tables 5.6-5.10

“deposit gap” identifies (under standard assumptions) the number of years that it would take for a household with median income to save up for a 10% deposit on a house priced at the 25th percentile. The “deposit gap” was lower in each of the 11 housing market areas of Northern Ireland in 2017 than in 2010, although the general pattern is for an improvement to bottom out with the market in 2013 and to begin to worsen after that.⁶⁰ In 2017, the gap worsened in 6 areas, improved in 4 and remained the same in one. The longest period to save for a deposit was 1.65 years in Newry/Down/Banbridge and the shortest was 0.83 years in Carrick/Larne. However, this measure omits the confidence that prospective buyers have in the market: when improving affordability associated with a diminishing deposit gap is associated with falling prices then even people who could afford to buy might think twice about it.

The NIHE/Ulster University index of “repayment affordability” seeks to estimate the proportion of housing stock that is unaffordable relative to average house prices in each housing market area. Adopting standard assumptions for mortgage term, interest rates, and deposits, it sets the affordability threshold at 30-35% of income. This suggests that in six of the 11 housing market areas in 2017, most housing was unaffordable. The highest concentration of unaffordable housing was in Belfast (71%).⁶¹ This index improved in nine out of 11 housing market areas in 2017.

Figure 2.8 illustrates housing market activity on the ground, and gives a good idea of affordability as homeowners experience it. The mortgage market has recovered since 2008 among both first time buyers and

movers. In 2017, there were around 16,000 mortgages granted, more than double the number in 2008 (Figure 2.8a). The recovery has been strongest among first time buyers (FTBs) with more FTB loans issued in 2017 than in 2006. In contrast, the number of mortgages granted to movers is half the pre-crisis level. This is striking given the absence of an equity-based Help to Buy scheme.⁶² However, it is notable that FTBs were already being squeezed out of the market before the crisis and the number of mortgages issued to FTBs in 2017 was about half that in 2001. This suggests that affordability in terms of access has not been restored to the position 20 years ago. This suggestion is supported by the income multiples of mortgages: whilst they are lower than in 2007 for both FTBs and movers, they are higher than in 2001 (Figure 2.8b).

The NIHE/Ulster University measure of “repayment affordability” relates to households’ ability to service mortgages based on current prices, but many homeowners purchased their houses when prices were higher than they are today. Nonetheless, affordability for households that have attained homeownership is historically favourable in large part due to low interest rates. The proportion of incomes taken up by mortgage interest payments peaked at 21% for FTBs and 16.4% for movers in 2007, but had fallen to 7.5% and 5.7% respectively in 2017 (Figure 2.8c). This is lower than at the start of the period, when it was around 12% for both groups of purchasers. Improved affordability is reflected in the statistics for court actions, with both cases received and disposed having fallen greatly (Figure 2.8d). The most recent statistics for disposals for the second quarter of 2018-19 show a considerable decline

compared with the equivalent quarter in the previous year.⁶³

2.5 Access to private rented housing

The dramatic growth in the private rented sector in Northern Ireland was highlighted in the last edition of the Northern Ireland Monitor. It doubled in size between 2007 and 2017.⁶⁴ The most commonly cited reasons for deciding to live in the private rented sector include long waiting lists for social housing and being unable to afford to buy, the ability to live in a desired or better area, to gain a larger property, and lack of other options.⁶⁵

In recent years, the growth in the tenure appears to have slowed in Northern Ireland and there is some evidence of a slight shrinkage, which has also been seen elsewhere in the UK following changes to its tax treatment. The Family Resources Survey (FRS), which has a sample size of just under 2,000 in Northern Ireland, suggests that 18% of households lived in the private rented sector in 2017/18, apparently three percentage points fewer than in the previous year. However, the figure for 2015/16 was 19%, so it seems likely that the 2016/17 figure overcounted private renters.⁶⁶ The stock figure is more stable and suggests a level of 17% for the private rented sector.⁶⁷ The FRS indicates that 17% of households lived in the social rented sector in 2017/18, which is the same as the stock figure. So it seems that the two rental tenures are of a similar size, with the private rented sector the slightly larger of the two.

Rent statistics published by the Department for Communities (DfC) are based on FRS which in 2016/17 had a sample size of almost 2,000 households in Northern Ireland. These indicate that median weekly private rents were £92 in 2013/14, £94 in 2014/15 and 2015/16 and £98 in 2016/17, so rose by 6.5% in cash terms over the period.⁶⁸ The Index of Private Housing Rental Prices is based on a dataset that combines rental information collected by the Northern Ireland Housing Executive for the purposes of calculating Local Housing Allowance (LHA) rates with information from Property News, one of the two leading property websites in Northern Ireland. The index goes back to January 2013. Rents rose by 7% between January 2015 and March 2019, but were slightly lower at the end of the period once inflation is taken into account. Figure 2.9 shows that rents lagged behind inflation through most of 2015, but ran ahead of inflation in 2016, since when they either moved in line or lagged behind inflation.

The 2016 private tenants’ survey was published in 2018. The overall number of respondents was small (144) and the numbers for individual questions smaller still, so need to be treated with caution.

On the question of affordability, most respondents (64%) thought that their rent was “neither too high nor too low”, whilst 20% thought it “high” and

60 NIHE (2018) *Affordability in the private housing market in Northern Ireland 2017*, Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/getmedia/620d7870-3ac0-4013-9f64-c832a5e9b117/affordability-in-the-private-housing-market-2018.pdf.aspx?ext=.pdf>.

61 Ibid., Table 1

62 The only scheme open to new applicants is the Help to Buy ISA scheme; the mortgage guarantee scheme closed to new applicants in December 2016.

63 97 in April-June 2018/19 compared to 2009 in April-June 2017/18. DfCNI (2018) *Northern Ireland Housing Statistics 2017-18*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/publications/northern-ireland-housing-statistics-2017-18>. Table 5.10.

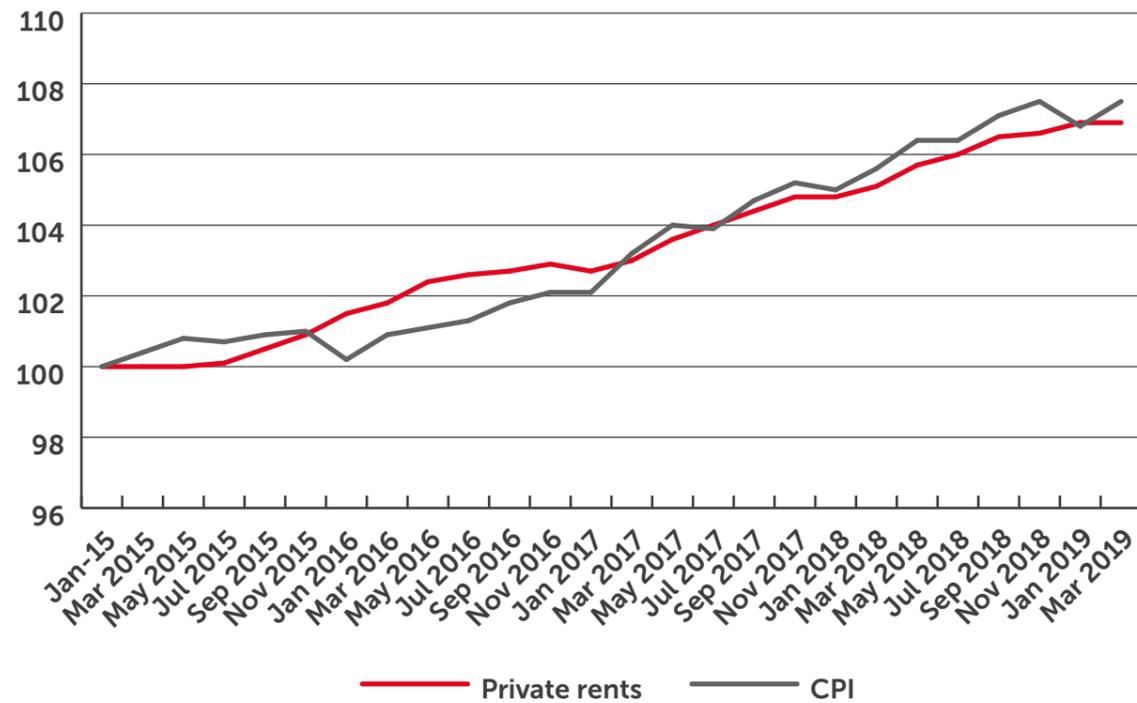
64 ONS (2018) *UK private rented sector: 2018*, Online: Office for National Statistics. Available at: <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/ukprivaterentedsector/2018>.

65 NIHE (2018) *Private Tenants Survey 2016*, Belfast/Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Research/Private-tenants-survey/private-tenants-survey-2016.aspx>. Table 46. Base = 144.

66 DWP (2019) *Family Resource Survey: financial year 2017/18*, Online: Department for Work and Pensions. Available at: <https://www.gov.uk/government/collections/family-resources-survey--2>. Table 3.1

67 Stephens, M., Perry, J., Williams, P. and Young, G. (2019) *UK Housing Review 2019*. Coventry: Chartered Institute of Housing. Table 17d

68 DfCNI (2018) *Northern Ireland Housing Statistics 2017-18*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/publications/northern-ireland-housing-statistics-2017-18>. Table 4.2

Figure 2.9 Private rent index, January 2015 – March 2019 (January 2015 = 100)

Source: ONS Experimental Index of Private Housing Rents; Consumer Price Index time series rebased to January 2015=100

"6% "very high".⁶⁹ Most (59%) reported receiving Housing Benefit,⁷⁰ which is higher than other estimates, which put it at 42%.⁷¹ The survey found that in the vast majority of relevant cases (81%) Housing Benefit did not cover the whole rent.⁷² One third (34%) of benefit recipients found it "fairly" or "very difficult" to meet the shortfall.⁷³ Some 43% of shortfalls (43%) were under £20 a week, but one-fifth were £30-39 and 12% over £50.⁷⁴ In a clear majority (78%) of cases, Housing Benefit was paid directly to the landlord or letting agent.⁷⁵

The survey did not identify experience of "no fault" evictions as prevalent, at least amongst those who were still renting in the private sector. When asked why they chose to rent their current home, a landlord selling the property, the end of a tenancy, or the landlord terminating the tenancy were cited only 10 times (out of 274 responses).⁷⁶ This is supported by the homelessness statistics, wherein "loss of rental housing" still accounts for only a relatively modest proportion of total FDA homeless cases, albeit this category has seen a significant

69 NIHE (2018) *Private Tenants Survey 2016*, Belfast/Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Research/Private-tenants-survey/private-tenants-survey-2016.aspx>. Table 67. Base = 143

70 Ibid., Table 68. Base = 143

71 ONS (2018) *UK private rented sector: 2018*, Online: Office for National Statistics. Available at: <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/ukprivaterentedsector/2018>.

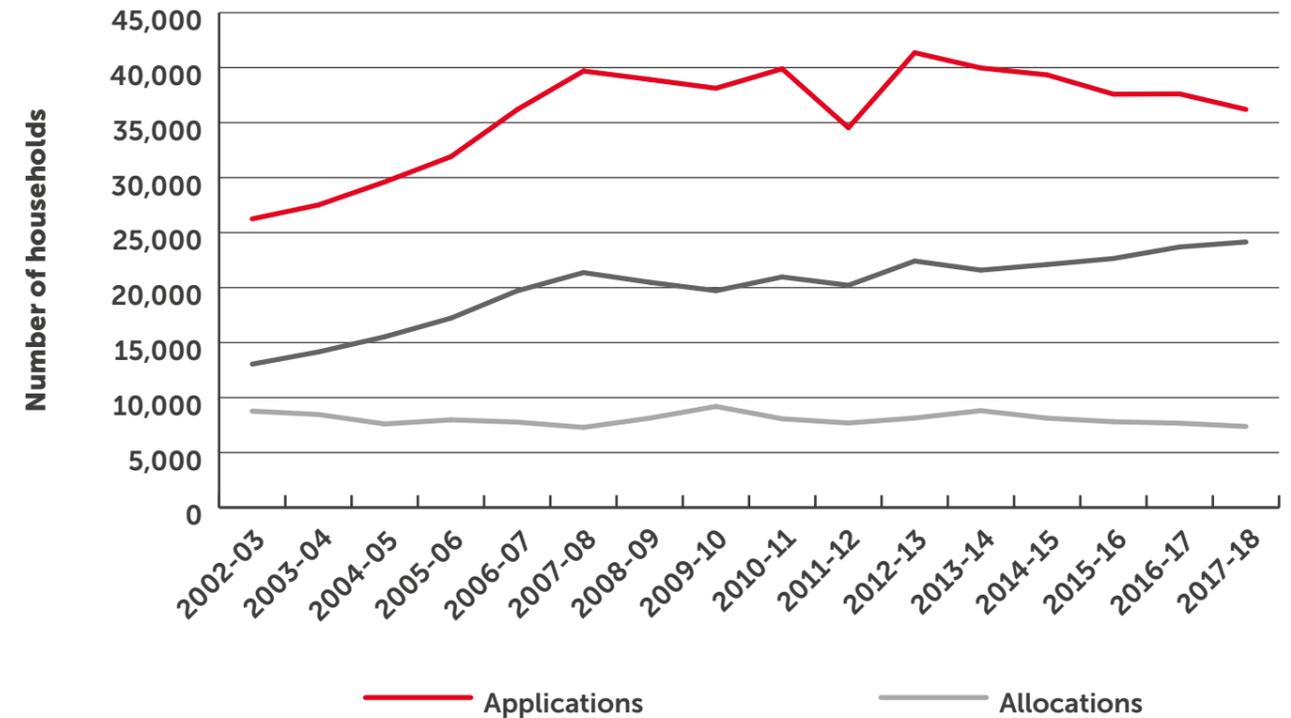
72 Ibid., Table 71. Base = 85

73 Ibid., Table 72. Base = 127

74 Ibid., Table 75. Base = 69

75 Ibid., Table 89. Base = 85

76 Ibid., Table 46. Base = 144.

Figure 2.10 Social housing applications and allocations

Source: Northern Ireland Housing Statistics, Table 3.5

proportionate rise over the past decade (see Chapter 4).

Nonetheless, research by Housing Rights found that in 2018 all LHA rates fell below the 30th percentile, and in no broad rental market area (BRMA) were more than 27% of properties advertised at below the LHA rate.⁷⁷ Indeed 13 of the 40 BRMA/ property type combinations had fewer than 10% of properties advertised at below the LHA rate.⁷⁸ The shortfall between the LHA rate and advertised rents varied between £45 and £134 per month.

2.6 Access to social and affordable housing

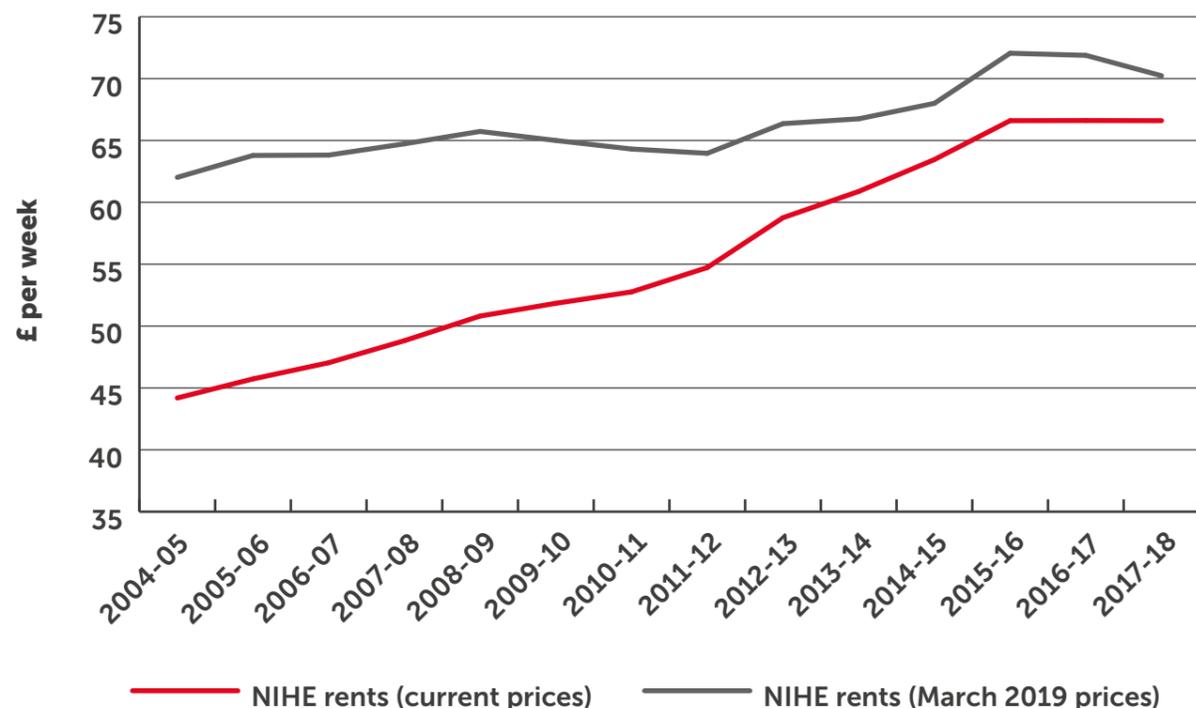
Some 17% of Northern Ireland households were housed in the sector in 2017/18 – the same as in Wales and England, but fewer than in Scotland (22%).⁷⁹ The DfC set targets for social housing starts of 1,600 for 2016/17, 2,000 for 2017/18, 2,200 for 2018/19 (later reduced to 1,750), and 1,850 for 2018/19. These targets have mostly or are likely to be met, although they have been "heavily dependent on sources other [than] purpose-built social housing, especially 'off-the-shelf' new build and other acquisitions".⁸⁰

77 McCauley, M. (2019) *Falling Behind: Executive Summary*, Online: Housing Rights. Available at: <https://www.housingrights.org.uk/sites/default/files/policydocs/Falling%20behind%20Executive%20Summary%2010%20October.pdf>.

78 There are 8 BRMAs and 5 property types ranging from shared accommodation to four bedroom properties.

79 DWP (2019) *Family Resource Survey: financial year 2017/18*, Online: Department for Work and Pensions. Available at: <https://www.gov.uk/government/collections/family-resources-survey--2>. Table 3.4

80 Perry, J. (2019) 'Housing Expenditure Plans', in Stephens, M. (ed.) *UK Housing Review 2019*. Coventry: Chartered Institute of Housing. p. 67

Figure 2.11 NIHE Rents (2004/05 – 2017/18) (£ per week)

Source: NIHE Housing Statistics, Table 3.2. Rents in constant prices are approximate, using the Swanlowpark inflation calculator www.swanlowpark.co.uk/inflation-calculator

There has been a long-term decline in the numbers of lettings (excluding transfers) by social landlords. In the mid-1980s there were around 12,500 lettings and there were more than 9,500 at the turn of the millennium.⁸¹ Although there has not been a year-on-year decline since then, the downward trajectory has continued, and there were 7,373 lettings in 2017/18, roughly 15% lower than in 2002/03 (Figure 2.10). Whilst applications are a far from precise indicator of need, it is notable that at the same time as lettings have declined, there has been a rise in the number of applicants in housing stress. The most rapid rise was up to 2006/07, but it has continued upwards since then. The pressure on the sector is further emphasised by the very high

proportion of lettings that are now made to homeless households (discussed in Chapter 4). As noted in Section 2.6 above, the length of waiting lists for social housing was the most frequently cited reason for people opting for private rented accommodation in the 2016 private tenants' survey.⁸²

Figure 2.11 shows trends in rents charged to NIHE tenants. These are shown in cash and adjusted to today's prices. Whilst rents in cash terms have risen by 50% since 2004/05, once inflation is taken into account the rise is 13%. The rate of increase accelerated after 2011/12 (rents in 2017/18 are 10% higher than in 2011/12), although they have fallen in real terms over the last two years of the period.

81 Stephens, M., Perry, J., Williams, P. and Young, G. (2019) *UK Housing Review 2019*. Coventry: Chartered Institute of Housing. Table 105

82 NIHE (2018) *Private Tenants Survey 2016*, Belfast/Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Research/Private-tenants-survey/private-tenants-survey-2016.aspx>. Table 46. 39 out of 274 responses from 144 respondents.

There is a high level of Housing Benefit support for NIHE tenants. Around 80% of NIHE tenants receive Housing Benefit and this figure varied only between 77% and 80% since 2002/03, until 2017/18 when the figure fell to 76%.⁸³ This fall can be explained by the implementation of the Social Sector Size Criteria (more commonly known as the "Bedroom Tax") in February 2017 which affected 26,000 tenants. This presumably explains why the proportion of NIHE Housing Benefit recipients receiving the full amount fell from 84% in 2014/15 to 50% in 2016/17 and 2017/18.⁸⁴ However, these losses are being mitigated through the DfC Welfare Supplementary Payments Scheme.⁸⁵ Nonetheless, households who move or who have a change in circumstances are not protected, and this helps to explain why turnover has fallen.

Annual NIHE rent arrears have declined since 2004/05, when they represented 6.8% of collectable rental income. They fell in all but one of the 11 years up to 2015/16, since when they have been stable at 3.6%.⁸⁶ In contrast, housing association arrears have risen since 2010/11 from 5.1% to 5.6% of collectable rental income.⁸⁷

Linked to the welfare reform issues discussed in the next chapter, and hinting at concerns that have now become very prominent in England,⁸⁸ one key informant reported that some of the housing associations in Northern Ireland, albeit not the NIHE, were beginning to apply financial capability assessments and rent in advance requirements as part of their allocations schemes:

...I really do find it very disappointing, because if housing associations are not going to be a provider for people on the lowest of incomes, well who is going to – what are they there for? What is their raison d'être?... we've begun to see...a real hardening of – you know, 'can you afford to live in our houses?, because if you can't, you can't have one'. Well, I can understand where they're coming from, but I just don't think it's the right response to put up a barrier for people, so that you'll have to be reasonably well-off to live in a housing association house."

(Voluntary Sector Key Informant, 2019)

2.7 Key points

- Northern Ireland experienced the deepest recession of any UK nation, and output recovered to pre-recession levels only in 2015. There has been some catching up with the rest of the UK more recently, but within the context of low growth that is expected to continue, and the uncertainty surrounding Brexit. Impact assessments suggests that Northern Ireland is more exposed than other parts of the UK to Brexit, especially to a disorderly "no deal".
- The labour market remains weak. Although employment levels have risen above 70%, this is almost 5% below the UK average. More than one quarter of 16-64 years olds are economically inactive, which is the highest level in the UK. Economic inactivity has risen since 2012, whereas it has fallen elsewhere in the UK. In real terms, earnings were no higher in 2018 than they were in

83 DfCNI (2018) *Northern Ireland Housing Statistics 2017-18*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/publications/northern-ireland-housing-statistics-2017-18>. Table 3.4

84 Ibid., Table 3.4

85 Ibid., footnote 5.

86 DfCNI (2018) *Northern Ireland Housing Statistics 2017-18*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/publications/northern-ireland-housing-statistics-2017-18>. Table 3.1

87 Ibid., Table 3.3b

88 Fitzpatrick, S., Pawson, H., Bramley, G., Wood, J., Watts, B., Stephens, M. and Blenkinsopp, J. (2019) *The Homelessness Monitor: England 2019*, London: Crisis.

2008, although they have recovered from the low point in 2014.

- Relative poverty in Northern Ireland is at a similar level to the UK as a whole, and has fallen over the past decade. Low housing costs in Northern Ireland have the effect of increasing poverty by less than they do in the UK as a whole, so after housing cost poverty rates are 18% in Northern Ireland compared to 22% in the UK as a whole. Pensioners benefit the most from low housing costs due to higher rates of outright homeownership. Children fare less well and experience a greater increase in poverty as a result of housing costs compared to the population as a whole.
- Estimates of household growth in Northern Ireland have been downgraded, although there is much uncertainty over migration due to Brexit. The rate of growth of households is expected to peak in 2024 and decline thereafter. Although housebuilding has not recovered to pre-crisis levels, it is running ahead of the additional demand that can be (crudely) anticipated by household growth.
- House prices have risen since the depths of the recession, but they are more than 60% lower than the peak in real terms. This has fed through into improvements in affordability with house price to earnings ratios falling from 10 in 2007 to 5 now. There have been revivals in mortgage lending especially among first time buyers. There are more first time buyer mortgages granted now compared to 2007, but they are still a long way below the levels of 2001, so pricing out continues. People who already own their own homes are benefiting from improved affordability arising from very low interest rates, with the result that arrears and possessions are at very low levels.
- The private rented sector has grown enormously over the past 20 years and is now slightly larger than the social rented sector. Its growth has moderated in recent years, and may have declined slightly recently. Rents appear to have risen pretty much in line with inflation since 2015, although around a quarter of private tenants believe that their rents are high or very high. There is little evidence of “no fault” evictions being prevalent.
- Lettings by social landlords have been on a downward trajectory for some time, whilst the number of applicants in housing stress has risen. This suggests that the supply of social rented housing is one of the main pressure points in the Northern Irish housing system, and is further evidenced by the frequency with which private tenants cite the length of social landlord waiting lists as a reason for opting for private renting. Rents were rising in real terms until the last few years, when they have fallen. However, NIHE tenants have a high level of Housing Benefit support. The “Bedroom Tax” affects 26,000 NIHE tenants whose shortfall is currently being met by Welfare Supplementary Payments (so long as they do not move or experience a change in circumstances). Arrears among NIHE have bottomed out after a long downward trajectory, although they have risen among housing association tenants.

Government policies

3. UK Government and Northern Ireland Executive policies potentially impacting on homelessness

3.1 Introduction

In Chapter 2 we considered the homelessness implications of the economic and housing market context for homelessness. This chapter now turns to review policy developments that might be expected to affect homeless people and those vulnerable to homelessness. We begin by considering recent developments in homelessness policies in Northern Ireland, before examining the distinctive housing policies of the Northern Ireland Executive and the NIHE, and finally reviewing the ongoing welfare reform agenda and its likely impacts in Northern Ireland. In Chapter 4 we assess whether the potential policy impacts highlighted in this chapter are evident in trends in the available datasets.

3.2 Homelessness policies in Northern Ireland

In the last Homelessness Monitor, in 2016, we reviewed the recent history of homelessness policies in Northern Ireland,⁸⁹ and identified the major areas of current concern as including: the Homelessness Strategy for Northern Ireland 2012–2017, which at the time of writing was undergoing an independent evaluation and a new strategy was in development; the rolling out of the “Housing Solutions and Support” approach across the jurisdiction; public outcry over a number of street deaths in Belfast that led to a Tri-Ministerial meeting and subsequent Action Plan; and a pilot Housing First scheme run by DePaul in Belfast; and the “Supporting People” strategy. In 2019, we found that all of these issues remained relevant, and are therefore discussed below. But an additional theme also emerged around

89 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. and Watts, B. (2014) *The Homelessness Monitor: Northern Ireland 2013*, London: Crisis/The Joseph Rowntree Foundation.

NIHE's development of a "Chronic Homelessness Action Plan" allied with the current Homelessness Strategy.

One general point to make at the outset is that, while progress across a range of aspects of homelessness policy and practice had been made since the last Monitor in 2016, there can be little doubt that the suspension of the Northern Ireland Executive in early 2017, and uncertainties and tensions associated with Brexit, are proving very disruptive, as articulated by this key informant:

"It's very hard to prove a negative, to try to say this would be happening if the Northern Ireland Executive was up and running, but there's an absence of decision making and an absence of reforms that could make a difference, decisions they could be making on an executive level... It's a gap in our ability to lobby decision makers, there's an absence of us being able to influence the sector or influence the development of homelessness strategy and homelessness approaches because there is no Executive in operation."

(Voluntary Sector Key Informant, 2019)

Homelessness Strategy

The first homelessness strategy in Northern Ireland – "Making a Difference to People's Lives" – was published by the NIHE in 2002. This was a non-statutory document but the Housing (Amendment) Act (NI) 2010 Act placed a statutory duty on the NIHE to formulate and publish a homelessness strategy, updated every five years. The "Homelessness

Strategy for Northern Ireland 2012-2017" was published in April 2012.⁹⁰ The Strategy proposed to eliminate long term homelessness and rough sleeping across Northern Ireland by 2020, through four strategic objectives: placing homelessness prevention at the forefront of service delivery; reducing the duration of homelessness by improving access to affordable housing; removing the need to sleep rough; and, improving services for vulnerable homeless households and individuals. These objectives were in turn linked to thirty-eight proposed "actions." In 2014, the Strategy was subject to a substantive reprioritisation to allow for a clearer focus on homelessness prevention. We reported in the 2016 Monitor that many of our key informants had been involved in the development of this Strategy and were largely satisfied with its content, but lamented what they perceived as its patchy and poorly-monitored implementation. In April 2017, following a consultation period on the draft Strategy commencing in December 2016, the current "Northern Ireland Housing Executive Homelessness Strategy 2017-22" was published,⁹¹ together with a "Housing Executive Led Action Plan"⁹² (not to be confused with the DfC-led "Inter-Departmental Action Plan 2017-18" discussed below). An "Annual Progress Report (2017-18)" on the Strategy was then published by NIHE in December 2018.⁹³

In terms of background to the current Strategy, two documents are particularly relevant: an independent evaluation of the previous (2012-2017) Strategy, published in January

2017;⁹⁴ and a report released by the Northern Ireland Audit Office (NIAO) in November 2017, entitled "Homelessness in Northern Ireland".⁹⁵ We will now consider each of these documents before turning to the Strategy itself.

The independent evaluation of the 2012-2017 Strategy⁹⁶ concluded that it had taken the right approach to tackling homelessness and was welcomed by the sector on initial publication. The shift towards prevention as a major theme in 2014 had also received wide support, yet there was acknowledgement that this may have detracted from the initial 38 actions. The evaluation noted that preventative efforts had not yet produced the marked falls in homelessness presentations and reductions in temporary accommodation use evident elsewhere in the UK following enhancement of preventative services, and that access to affordable housing remained insufficient. Overall, the authors concluded that "progress in delivering the Strategy had not always been rapid, including the development of preventative services".⁹⁷ This was attributed in part due to sub-optimal co-ordination with inter-agency working groups not always meeting with sufficient frequency, or including staff in executive positions that could drive the actions forward. Despite this, the evaluation highlights improvements in practice in some areas, such as helping ex-offenders into accommodation, developing service provision for women and young people, and the development

of Local Area Action Plans to assist NIHE in tackling local issues.

The NIAO report echoed many of the critiques captured in the 2016 Homelessness Monitor,⁹⁸ and the independent evaluation. It reported that NIHE's analysis and presentation of homeless data did not allow for an adequate understanding of the causes of homelessness and called for further research to establish an evidence-based understanding of homelessness trends. It also critiqued the conceptual framework of the homelessness strategy itself, suggesting that long-term homelessness was not clearly defined and that the target date for achieving the principle aim of the Strategy was, in any case, set beyond its own term. The singular key performance indicator and associated sub-indicators of the Strategy were found to be inadequately linked to high-level expected outcomes, with no evidence of the development of baseline or benchmark data against which progress might be measured. While the report acknowledged the considerable progress made towards the completion of the 38 actions detailed in the Strategy, and applauded the efforts expended to prevent and reduce homelessness during its term, it found that the Strategy ultimately had limited success in reducing homelessness, particularly in light of the significant increase in statutory acceptances. An overall increase in temporary accommodation (TA) placements per annum was also highlighted, alongside significant variation in the cost of TA provision and prolonged stays for a significant

90 NIHE (2012) *Homelessness Strategy for Northern Ireland 2012-2017*, Belfast: Northern Ireland Housing Executive.

91 NIHE (2017) *Homelessness Strategy for Northern Ireland 2017-2022: Ending Homelessness Together*, Belfast: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Homelessness/homelessness-strategy-northern-ireland-2017-2022.aspx?ext=>.

92 Chapter 5 of NIHE (2017) *Homelessness Strategy for Northern Ireland 2017-2022: Ending Homelessness Together*, Belfast: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Homelessness/homelessness-strategy-northern-ireland-2017-2022.aspx?ext=>.

93 NIHE (2018) *Homelessness Strategy 2017-22: Annual Progress Report 2017-18*, Belfast/Online: Northern Ireland Housing Executive. Available at: https://www.nihe.gov.uk/getmedia/410e152e-7d24-4082-83df-dd8ede6e159/homelessness_annual_progress_report_2017-18.pdf.aspx?ext=.pdf.

94 Summarised in NIHE (2017) *Homelessness Strategy for Northern Ireland 2017-2022: Ending Homelessness Together*, Belfast: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Homelessness/homelessness-strategy-northern-ireland-2017-2022.aspx?ext=>.

95 Donnelly, K. J. (2017) *Homelessness in Northern Ireland*, Belfast: Northern Ireland Audit Office.

96 Boyle, F., and Pleace, N., (2017) *The Homelessness Strategy for Northern Ireland 2012-2017: An Evaluation* (Belfast: Northern Ireland Housing Executive) p.4; summarised in Chapter 3 of NIHE (2017) *Ending Homelessness Together: Homelessness Strategy for Northern Ireland 2017-2022*, Belfast: Northern Ireland Housing Executive.

97 NIHE (2017) *Homelessness Strategy for Northern Ireland 2017-2022: Ending Homelessness Together*, Belfast: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Homelessness/homelessness-strategy-northern-ireland-2017-2022.aspx?ext=>. p.14

98 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. and Watts, B. (2014) *The Homelessness Monitor: Northern Ireland 2013*, London: Crisis/The Joseph Rowntree Foundation

number of homeless households, with the report indicating that these stays were suggestive of a lack of suitable move-on options. In considering the role of health and social care services in addressing the needs of homeless households, the report highlighted a number of concerns as articulated by third sector informants to the audit, with a particular emphasis on ongoing challenges regarding access to detoxification facilities and mental health services, and a general need for “increased commitment, collaboration, and targeted intervention from the Health sector”.⁹⁹ In keeping with the findings of the independent review of the Strategy, the NIAO report suggested a need for greater efforts to address street activity and rough sleeping in Belfast. Overall, this was a critical report that called for stepped up action and co-ordination to meet NIHE’s targets for reducing homelessness, given rises in statutory homelessness over the period of the 2012-2017 strategy.

That said, the NIAO report itself has been subject to criticism: first, with respect to the auditors’ apparent framing of homelessness risk as distributed across the entire population; second, for a tendency towards an emphasis on individual rather than structural factors in its account of rough sleeping; and, finally, for failing to account for the limitations placed on policy actors amidst ongoing political instability.¹⁰⁰ As it happens, the NIAO report appears to have galvanized positive action in various ways, including spurring new research and data collection practices from NIHE, (see further below). Together with the independent review of the previous strategy, and the Action Plan emerging from the Tri-Ministerial meeting as discussed in the last Monitor, it has been credited with strengthening the new Homelessness

Strategy’s focus on prevention and housing-led solutions.

The Homelessness Strategy 2017-2022 has five core themes:

1. To prioritise homelessness prevention.
2. To secure sustainable accommodation and appropriate support solutions for homeless households.
3. To further understand and address the complexities of chronic homelessness across Northern Ireland.
4. To ensure the right mechanisms are in place to oversee and deliver this strategy.
5. To measure and monitor existing and emerging need to inform the ongoing development of appropriate services.

In keeping with a more robust approach to monitoring and measuring outcomes – taken from Northern Ireland’s Draft Programme for Government – the Strategy’s first Annual Progress Report (2017-18) places a particular emphasis on outcomes-based accountability, detailing the baseline for each of the Strategy’s four key performance indicators, a position that was not fully articulated in the Strategy itself.

The new Strategy also sets up mechanisms for improving on the implementation gap reported for the previous strategy. This includes an inter-departmental, multi-agency Homelessness Strategy Steering Group (HSSG), responsible for ensuring the strategic delivery of the strategy and the sharing of “strategic direction and accountability... across all relevant agencies” (p.24). The Group

is chaired by the DfC, although the Department now has a broader remit than its predecessor and as such concerns around the visibility of the homelessness agenda remain.¹⁰¹

The NIAO report’s suggestion that departmental representatives to the HSSG “did not always have sufficient seniority, with the ability to influence and make timely strategic decisions”,¹⁰² is addressed in the first Annual Progress Report of the Strategy, which states that the HSSG “has been reviewed... and its terms of reference have been revised”, with the group now meeting on a quarterly basis.¹⁰³

The Strategy also places a particular emphasis on measuring and monitoring existing and emerging need. That said, the first Annual Progress Report continues to attribute rises in the number of households accepted as homeless to an “increasing complexity and vulnerability associated with homelessness households”, an assertion that was criticised by the NIAO report as unsubstantiated. In keeping with the NIAO’s call for further research the Annual Report does, however, note inclusion in the NIHE research programme of “a project to investigate the circumstances around the increase in homelessness acceptances in recent years”.¹⁰⁴

Most of our key informants were stakeholders in the development of the 2017-2022 Strategy and were fairly satisfied with its content. Consistent with this, NIHE reported that 90% of consultation responses on the draft Strategy endorsed its vision and objectives.¹⁰⁵ Especially well received was the prioritisation of prevention and

housing-led solutions, linking to the roll out of Northern Ireland’s Housing Options approach, known as Housing Solutions and Support (see further below):

“I think it’s better [than the previous Strategy] because it acknowledges that ultimately, keeping people in temporary accommodation for long periods of time is bad for them. That everybody no matter how horrible or difficult their lives are wants to have their own home and that everybody has a right to housing and I think in some ways it reflects that. I do think that there are greater efforts being made in order to deliver on the Strategy.”

(Voluntary Sector Key Informant, 2019)

“I think the process felt much more inclusive this time in developing the Strategy... we were pleased to see prevention right up there, number one; that is very positive for us. Prevention was in the last Strategy but it was one of a number of objectives. It’s right up there, it’s number one in this Strategy. Even psychologically I think that’s quite significant.”

(Voluntary Sector Key Informant, 2019)

However, key informants echoed similar fears as in 2016 around a potential implementation gap, exacerbated by a continued lack of new social housing supply (see Chapter 2), ongoing negotiations around the UK’s exit from the EU that largely centre on the border between Northern Ireland and the Republic

99 Donnelly, K. J. (2017) *Homelessness in Northern Ireland*, Belfast: Northern Ireland Audit Office.p.50

100 McMordie, L. and Watts, B. (2018) ‘The Northern Ireland Audit Office Report on Homelessness: A Missed Opportunity’, *European Journal of Homelessness*, 12(2), pp. 89-113.

101 Watts, B. and Fitzpatrick, S. (2017) ‘Ending Homelessness Together in Northern Ireland: A Unique Challenge’, *European Journal of Homelessness*, 11(2), pp. 117-134.

102 Donnelly, K. J. (2017) *Homelessness in Northern Ireland*, Belfast: Northern Ireland Audit Office.p.46

103 NIHE (2018) *Homelessness Strategy 2017-22: Annual Progress Report 2017-18*, Belfast/Online: Northern Ireland Housing Executive. Available at: https://www.nihe.gov.uk/getmedia/410e152e-7d24-4082-83df-7dd8ede6e159/homelessness_annual_progress_report_2017-18.pdf.aspx?ext=.pdf. p. 29.

104 NIHE (2018) *Homelessness Strategy 2017-22: Annual Progress Report 2017-18*, Belfast/Online: Northern Ireland Housing Executive. Available at: https://www.nihe.gov.uk/getmedia/410e152e-7d24-4082-83df-7dd8ede6e159/homelessness_annual_progress_report_2017-18.pdf.aspx?ext=.pdf. p. 5-6.

105 NIHE (2017) *Homelessness Strategy for Northern Ireland 2017-2022: Ending Homelessness Together*, Belfast: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Homelessness/homelessness-strategy-northern-ireland-2017-2022.aspx?ext=>.

of Ireland, and suspension of the Northern Ireland Executive:

"...quite rightly and quite properly, we are saying that a strategy should be based upon prevention. That we should have a strategy that is housing-led and has a greater dependency upon Housing First-type services.... So the Strategy is beautiful, but the Strategy is undeliverable."

(Voluntary Sector Key Informant, 2019)

It was also suggested that whilst a focus on prevention and ending chronic homelessness is the right thing to do, it will take time and resources to move beyond the current crisis-focused approach:

"I don't think there's been any acceptance or acknowledgement, that if you want to make that shift [to prevention] that you need at least a period of additional investment to make that. My understanding is the budget to tackle homelessness certainly hasn't grown, so are they asking the impossible?... or if you're going to deliver on it at the expense of services to people who are already chronically homeless or in hostels or..."

(Voluntary Sector Key Informant, 2019)

In the 2016 Monitor we reported that relations appeared to be improving between DfC and voluntary sector agencies. This is confirmed this year by a number of key informants, particularly with regard the HSSG which includes representatives across a range of organisations. Some Voluntary Sector Key Informants also reported improved partnership with NIHE. However, others were far less positive:

"I think the Strategy is good. I'm not sure about how it's being rolled out. It doesn't feel like a real partnership approach; there's lots of groups, there's lots of sitting round tables together, but partnership's about more than that, partnership's about mutual respect and valuing each other's contribution genuinely. I don't honestly feel that. I honestly don't feel that, and I look back to five years and I think many things are a lot better, but I actually think five years ago there probably was more mutual respect amongst the [statutory and voluntary] providers."

(Voluntary Sector Key Informant, 2019)

Homelessness Prevention and "Housing Solutions and Support"

As reported in previous Monitors, in 2013, there was substantial engagement with the Scottish "Housing Options" preventative approach, with a view to the introduction of something similar in Northern Ireland as a means of making a "significant contribution to reducing homelessness".¹⁰⁶ There was significant progress on this front by 2016. A Housing Options-style model, called "Housing Solutions and Support" (HSS), was being tested in three pilot areas (South Down, Causeway and (part of) Belfast), with a view to rolling it out across all of Belfast by the end of March 2017, and the whole of Northern Ireland by June 2017. The Strategy's Annual Progress Report confirms that the HSS model was operational in all Housing Executive offices by March 2018.¹⁰⁷ This full roll-out was a central theme of 2019 interviews, and key informants interviewed this year were generally positive about the progress that had been made:

"We work most closely in the Belfast area, and I think it has been successful, it's a much more appropriate model."

(Voluntary Sector Key Informant, 2019)

"We have found that it is working exceptionally well. It means that individuals are being assessed much quicker. We're finding that from the individuals that we work with, our organisation work very closely with the Housing Solutions team and therefore, we're able to speak about cases and individuals... and meet their direct needs so that they are in appropriate housing and therefore less likely to end up back in the cycle of homelessness."

(Voluntary Sector Key Informant, 2019)

Key informants were very encouraged by the enhanced data collection associated with HSS, and highlighted that this is providing helpful insights, for example, with respect to prioritising Supporting People (SP) expenditure (see further below). It also appears to have improved partnership working across statutory and voluntary bodies in the eyes of many:

"One of the positive consequences of that link, of the better communication of that partnership working, has been that we have identified people who maybe even still have a tenancy. We are occasionally catching people who have abandoned a tenancy and we have been able to get them back into that tenancy by referring, working with other partners, just doing a bit of work and making sure that that person is able to maintain their tenancy."

(Voluntary Sector Key Informant, 2019)

However, HSS has not as yet been formally evaluated, and it was reported that some stakeholders have concerns about the operationalisation of the new model, and in particular its

impact on access to accommodation for vulnerable groups such as people experiencing chronic homelessness:

"If anything I would say in the last couple of years there's less evidence of that [partnership working]. For me, one of the things that's happened with Housing Solutions is more working in isolation and less in partnership... More about 'Oh, well we could just do that ourselves'. I think that's a retrograde step. Don't think Housing Solutions needs to be like that, but I think it is in practice."

(Voluntary Sector Key Informant, 2019)

Other key informants argued that the main limitation in the effectiveness of HSS remains lack of accommodation options (see Chapter 2), especially in social housing, and the barriers associated with welfare reform (see below) that can make working with landlords, including some housing associations, difficult:

"There's a massive shortage of housing supply, so in practice we have seen people being placed into emergency accommodation and having floating support put in around them, so I think it would be wrong to say that it's operating 100 per cent as intended, but I think there's probably valid reasons for that. It's a work in progress."

(Voluntary Sector Key Informant, 2019)

A couple of key informants also noted a decrease in funding from NIHE for "Smartmove" – a service that helped support vulnerable people into the private rented sector – as a barrier:

"That was, for us, a very important scheme that has been significantly watered down. That's creating difficulties for us that we would have been placing clients in the knowledge that they would have got support from Smartmove... At a time when we're increasingly using the Private

¹⁰⁶ Mahaffy, R. 'Preventing Homelessness: The Housing Options Approach. A Review of the Scottish Experience and Considerations for Northern Ireland'. *Preventing Homelessness – The Housing Options Approach Seminar*, Ballymena, Northern Ireland, 11 October 2013. p.28

¹⁰⁷ NIHE (2018) *Homelessness Strategy 2017-22: Annual Progress Report 2017-18*, Belfast/Online: Northern Ireland Housing Executive. Available at: https://www.nihe.gov.uk/getmedia/410e152e-7d24-4082-83df-7dd8ede6e159/homelessness_annual_progress_report_2017-18.pdf.aspx?ext=.pdf. p13

Rented Sector, then we should really be building up the support that's available for people that are being placed there."

(Voluntary Sector Key Informant, 2019)

It is also worth noting that many key informants across both the statutory and voluntary sectors were in favour of a greater focus on prevention into the statutory homelessness framework in Northern Ireland, and there was a great deal of the interest in the Homelessness Reduction Act 2017 in England and similar legislation in Wales. Indeed, the recent draft Chronic Homelessness Action Plan (see below) includes two actions pertaining to the statutory homelessness framework: the first calling for consideration of extension of homelessness legislation, with the specific intent of introducing new duties to prevent and relive homelessness; and the second to review use of priority need and the extension of the statutory requirement to deal with threatened homelessness from 28 days to 56 days.¹⁰⁸ Moreover, a Private Members Bill was proposed just before the collapse of Stormont that would have put in place strengthened homelessness prevention obligations, including imposing a duty to cooperate across a range of statutory bodies. The frustration of one key informant who supported this change was evident:

"Our legislation is still pretty traditional back to the 1988 homelessness legislation, it hasn't shifted significantly really. We had a bit of an amendment in 2010 that actually recognised the importance of advice with the prevention hat on, but we've not had anything since then and it's very difficult to drive legislative change when you won't have an assembly."

(Voluntary Sector Key Informant, 2019)

108 NIHE (2019) *Chronic Homelessness Action Plan*, Belfast/Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Supporting-Documents/RS-246-02-19-Chronic-Homelessness-Action-Plan-ACCE.aspx>. p.35 and 45

109 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. and Watts, B. (2016) *The Homelessness Monitor: Northern Ireland 2016*, London: Crisis.

Some key informants felt nonetheless that aspects of performance in Northern Ireland compared favourably with other UK jurisdictions and with the Republic of Ireland:

"If you look at England and Wales, the increase in rough sleeping, we have certainly managed to avoid the worst of that to date. Hopefully that will continue, but who knows with the impact of welfare reform when it's fully rolled out in Northern Ireland, we might see the same sort of increase in rough sleeping. I hope not, but we have been very effective in trying to at least get support services out to people who need it."

(Voluntary Sector Key Informant, 2019)

Even the sense that Northern Ireland was often "behind the curve" on new developments on homelessness prevention and other aspects of practice was not necessarily viewed as a negative:

"There's a feeling I would probably buy into sometimes that Northern Ireland implements new practices after England and Wales. Sometimes that's a good thing because it allows us to learn from programmes that have already been implemented."

(Voluntary Sector Key Informant, 2019)

Inter-Departmental Action Plan 2017-18

In the 2016 Monitor we reported on the Tri-Ministerial meeting involving the Ministers for Social Development, for Health and Social Care, and for Justice, convened around public outcry over four deaths on the streets of Belfast.¹⁰⁹ At that time there were particular concerns from the sector that the Department for Health was

not adequately engaged in tackling homelessness.

However, this year some key informants expressed cautious optimism about the beginnings of a greater co-ordination between health and homelessness which has been encouraged by NIAO's criticisms noted above¹¹⁰ and also by an Inter-Departmental Action Plan 2017-18 which was published and led by DfC alongside the new NIHE Homelessness Strategy.¹¹¹ This Action Plan aims to compliment the Homelessness Strategy, driving its non-accommodation aspects:

"...in an ideal world, you would have a single strategy that sets out here are all the things that we, as Northern Ireland PLC, for want of a better way to put it, are going to do to try and deal with the homeless situation. So that's why the department stepped in then and said... bring our central government partners in, in terms of the other departments that have responsibility for public administration in Northern Ireland; so primarily health, also justice, infrastructure and education, and see what it is that they could contribute in order to deal with some of the issues."

(Statutory Sector Key Informant, 2019)

Taking a co-production approach across departments, service providers, and service users, and following on from consultation events held in 2017, the Action Plan sets out five priority areas: Health and wellbeing, including

mental health and substance misuse; Education and awareness raising – children, young people, schools and providers; Support for those leaving places of care, including a range of institutions; Support for families, including those experiencing domestic violence; Employability, financial capability and access to benefits. Both a Year 1 report of 2017-18¹¹² and a Year 2 Action Plan for 2019-2020 have now been published.¹¹³ In the latter it was acknowledged that:

"Feedback from the homelessness provider sector on the Year 1 Action Plan was mixed. On a positive note it was agreed that the Plan was successful in that it brought together, for the first time, homelessness actions from a number of Government Departments into a coherent Action Plan... Partners in the homelessness provider sector, however, felt that the Action Plan needed to do more to make a tangible difference to peoples' lives. The Department accepts that actions should be outcome focused as far as possible and has taken this on board for Year 2." (p. 5)

The Inter-Departmental Action Plan stream of work was welcomed by key informants in both the statutory and voluntary sectors that we interviewed, especially the establishment of a pilot Homeless Healthcare Hub in Belfast, informed by the work of a Task and Finish Group which was established by the Chief Medical Officer.¹¹⁴ The hub is designed to provide outreach care to those who are sleeping rough or in hostel accommodation:

110 Donnelly, K. J. (2017) *Homelessness in Northern Ireland*, Belfast: Northern Ireland Audit Office.

111 DfCNI (2017) *Inter-Departmental Homelessness Action Plan: Priorities and Actions for 2017-2018*, Belfast/Online: Department for Communities. Available at: <https://www.justice-ni.gov.uk/sites/default/files/publications/communities/dfc-inter-departmental-homelessness-action-plan.pdf>.

112 DfCNI (2018) *Interdepartmental Homelessness Action Plan 2017-18: Year 1 Report*, Belfast/Online: Department for Communities. Available at: <https://www.justice-ni.gov.uk/sites/default/files/publications/communities/dfc-inter-departmental-homelessness-action-plan-year1-report-1718.pdf>.

113 DfCNI (2019) *Interdepartmental Homelessness Action Plan 2019-20: Year 2 Action Plan*, Belfast/Online: Department for Communities. Available at: <https://www.justice-ni.gov.uk/sites/default/files/publications/communities/dfc-inter-departmental-homelessness-action-plan-year2-report-1920.pdf>.

114 DfCNI (2018) *Interdepartmental Homelessness Action Plan 2017-18: Year 1 Report*, Belfast/Online: Department for Communities. Available at: <https://www.justice-ni.gov.uk/sites/default/files/publications/communities/dfc-inter-departmental-homelessness-action-plan-year1-report-1718.pdf>. p. 3.

"I suppose it's just a recognition that it has to be more complete, there has to be a more holistic response to homelessness... part of the service delivery that will operate is a health hub. The health hub will have a homelessness nurse that operates out of it, GP services available, I believe that they're looking at having dentistry and other kind of health-related support to homeless people. There's going to be different organisations from the community and voluntary sector operating out of the same location. There is definitely a more joined-up approach than there has been in the past, but it's still a challenge."

(Voluntary Sector Key Informant, 2019)

However, not all key informants were persuaded by the focus of all of the actions in the Plan. For instance, a key action for Education is around developing a section of the Active Citizenship curriculum for school children that encompasses issues linked with homelessness, but this was criticised by some key informants:

"I just think if you've very little money, personally I'd be targeting it at the people who are at the highest risk of becoming homeless and we all know who they are. So I think if I had finite resources and was in one of those others, I would target it; still to prevent but just a bit more narrowly at groups that are likely to become homeless."

(Voluntary Sector Key Informant, 2019)

"We also wanted them to be looking at doing some kind of work with school counsellors and whatever where they were able to recognise the triggers when they were talking to young people. And what protections they might need to provide for young people who are in situations where their families are homeless. None of that has happened... So we've got

this lovely glossy core curriculum... Great materials, wonderful, but not going to help with prevention... what we need I believe is we need a prevention strategy that actually tackles those triggers in the context of homelessness."

(Voluntary Sector Key Informant, 2019)

While there was welcome for the Homeless Healthcare Hub, as noted above, there were also still clearly ongoing concerns about the engagement of health services, especially mental health and substance misuse services:

"Mental ill health is a huge problem among homeless people in Northern Ireland, and I suppose we need to work more closely with the mental health services, support services that are out there and the statutory services. I think that's something that we're all trying to do and trying to improve, and it needs to continue, but we need buy-in and we need resources from the NHS ultimately to be able to do that."

(Voluntary Sector Key Informant, 2019)

"...the effectiveness of our drug and alcohol projects is impacted if we can't give people – if they're engaging with us and they want to get a substitute and they've got a 13-week, 14-week or, earlier this year, a 52-week wait to get a substitute prescription, then you've lost your opportunity and the chaos continues... If someone's ready and engaging with you, you need to be able to respond at that point."

(Statutory Sector Key Informant, 2019)

Chronic Homelessness Action Plan and Housing First

The NIHE has brought forward a draft Chronic Homelessness Action Plan as part of Year Two of its current Homelessness Strategy, which was

out for consultation from May to August 2019.¹¹⁵ This was developed by NIHE in response to feedback from statutory and voluntary partners in the homelessness sector on the delivery of the 2017-2022 Strategy, with a commitment being made in the 2017-18 Annual Progress Report to amend the proposed review and implementation of the Rough Sleepers Strategy to the development of a Chronic Homelessness Action Plan.¹¹⁶ As part of the broader strategic context, the Action Plan references a critical report on TA placements for people experiencing chronic homelessness in Belfast. This report identified the existence of a sub-group within the Northern Ireland homeless population whose experience is marked by cyclical TA placements, episodes of rough sleeping and other forms of homelessness. It queried the efficacy of current service provision in the resolution and mitigation of homelessness for those with more complex needs, suggesting that the marginalisation of homeless people with complex needs can occur at every stage along the current continuum of service provision – at point of access, placement, and stay. The report highlighted the multi-faceted nature of chronic homelessness in Belfast, with rough sleeping often being one aspect of a shifting array of homelessness experiences, encompassing street activity, sofa surfing, squatting, rough sleeping, emergency shelter accommodation, acute admissions and institutional stays.¹¹⁷

Key informants welcomed this broadening of focus from one of rough sleeping to the wider experience of chronic homelessness:

"...you'll see that they talk about developing a rough sleepers' action plan, and one of the things that's happened since the Strategy came out is they have moved from that and they agreed that, actually, it wasn't a rough sleepers' action plan they needed, it was a chronically homeless action plan. I think that's a really positive move because it's a bigger cohort, but actually they're all people with the same kind of issues and rough sleeping's just probably a visible manifestation."

(Voluntary Sector Key Informant, 2019)

"There was an original intent or expectation that that would focus on rough sleeping, but... that aspect of the strategy has now broadened its net a wee bit and it is looking at people who are repeatedly homeless, who have multiple tenancies breaking down. I think there's probably an acknowledgement across Northern Ireland that there's a lot of work needed there."

(Voluntary Sector Key Informant, 2019)

Central to the Action Plan is a methodology for identifying chronic homelessness, with NIHE being "keen for the consultation to explore whether there are too many or too few criteria and whether the criteria need to be further defined".¹¹⁸ An early consultation response by Housing Rights expresses concern that "the criteria may be overly prescriptive and could inadvertently exclude certain individuals who are experiencing chronic homelessness, while including

115 NIHE (2019) *Chronic Homelessness Action Plan*, Belfast/Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Supporting-Documents/RS-246-02-19-Chronic-Homelessness-Action-Plan-ACCE.aspx>.

116 NIHE (2018) *Homelessness Strategy 2017-22: Annual Progress Report 2017-18*, Belfast/Online: Northern Ireland Housing Executive. Available at: https://www.nihe.gov.uk/getmedia/410e152e-7d24-4082-83df-7dd8ede6e159/homelessness_annual_progress_report_2017-18.pdf.aspx?ext=.pdf. p.25

117 McMordie, L. (2018) *Chronic Homelessness and Temporary Accommodation Placement in Belfast*, Online: Heriot-Watt University, Oak Foundation. Available at: <https://ihurerblog.files.wordpress.com/2018/07/chronic-homelessness-and-temporary-accommodation.pdf>.

118 NIHE (2019) *Chronic Homelessness Action Plan*, Belfast/Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Supporting-Documents/RS-246-02-19-Chronic-Homelessness-Action-Plan-ACCE.aspx>. p.3

individuals who are not.¹¹⁹ Getting these criteria right will be central to the efficacy of efforts to reduce chronic homelessness.

The Chronic Homelessness Action Plan covers a three-year period from April 2019 to March 2022. In keeping with the premise of the Homelessness Strategy, the Action Plan takes forward the “*accommodation based issues*” while the “*non accommodation based issues will be prioritised and addressed through the Inter-Departmental Homelessness Action Group*”.¹²⁰ The draft available for consultation focuses on four key aims:

- Improve the measurement and understanding of the scale of the problem of chronic homelessness and establish a baseline.
- Promote early intervention and prevention of chronic homelessness.
- Provide a rapid response to chronic homelessness to ensure interventions are effective and well targeted.
- Promote a cross departmental and inter-agency approach to addressing the problem of chronic homelessness.¹²¹

Each aim has a number of linked objectives which include: measuring, monitoring, reporting and utilising chronic homelessness data; developing mechanisms for early identification of homelessness and chronic homelessness; implementing floating support

and tenancy sustainment services; developing arrangements to ensure early engagement with those at risk of chronic homelessness; reducing the length of stay in TA and supporting people into permanent accommodation, with consideration being given to a range of housing options, including Housing First; promoting interagency issues and actions, and, ensuring appropriate mechanisms are in place for overseeing implementation of the plan.

It is worth noting that the pending Strategic Review of Temporary Accommodation is expected to influence the future shape and form of TA provision in Northern Ireland, but in its draft form, the Action Plan endorses “*a mixed model of temporary accommodation*,” including “*the provision of wet hostels, hostels with low support needs and single lets*,”¹²² and a wider exploration of a “*shared accommodation model for permanent accommodation*”.¹²³ That said, the Action Plan, unlike previous strategies and reports,¹²⁴ also appears to more fully endorse a move away from TA to permanent solutions including Housing First for people who are experiencing chronic homelessness with complex needs, although it notes limitations in this regard with respect to housing supply (see Chapter 2).

Since the 2016 Homelessness Monitor which reported on the Housing First pilot in Belfast, the implementing organisation – DePaul – has expanded their scheme to also include Derry. This expansion of Housing First in

Northern Ireland was welcomed by our key informants:

“The projects, as they work at the moment, are very effective and so the challenge is how do we develop that capacity?”

(Statutory Sector Key Informant, 2019)

“It is about us trying to adopt housing solutions, or Housing First type practices, rather than in the past you might say a lot of our services were about maintaining and stabilising people. I think that’s still valid, but we are trying to pre-empt a lot of that and have people move on and live out in the community, rather than ending up in accommodation.... We want people to have a proper choice, a proper chance to end homelessness...”

(Voluntary Sector Key Informant, 2019)

An assessment of both schemes found that they operated with “high fidelity” to the original New York Pathways model,¹²⁵ and that this contributed to their success.¹²⁶ However, in common with findings from other Homelessness Monitors across the UK, while support for Housing First remains strong in Northern Ireland, there are some concerns raised with local implementation:

“It’s actually an enhanced floating support-type service. Significantly enhanced and really good and I don’t have anything negative to say about it, but I don’t actually think it’s Housing First. It’s absolutely housing-led, yes, and... we couldn’t do without it... but it’s not Housing First and there’s just a wee part of me wishes they would stop calling it Housing First, because there is a need for

Housing First and there’s definitely no Housing First.”

(Voluntary Sector Key Informant, 2019)

These sentiments also resonated with comments from another Voluntary Sector Key Informant, albeit aimed at more the statutory sector stakeholders:

“I just get the feeling that Housing First has become some kind of buzzword in certain areas... that they think will save them money. We’ve been saying well actually, Housing First is really quite expensive... If you’re going to do pure Housing First, it’s expensive: it’s specialist and you can’t just put it in there and do this unilaterally. House First is not a housing support service, it is a holistic wraparound service that needs to have the resources committed from partners. Don’t be just lightly going off and sticking people in homes and hoping that a bit of floating support is going to work because it’s not.”

(Voluntary Sector Key Informant, 2019)

This growing embrace of housing-led and Housing First-style interventions was reported to be in keeping with a broader strategic shift towards community-based and floating support-focussed responses in both the Homelessness Strategy and the Supporting People Review (see below). However, pressures on mainstream (social) housing supply were seen as a significant barrier:

“...there is an intent certainly to roll out Housing First, but the blockage in supply, and we’re in a position where housing associations and the Housing Executive are for very good reasons...they’re not able to provide the supply. Then we’re not going to

119 Housing Rights (2019) *Written evidence from Housing Rights to the Joint Inquiry into Northern Ireland’s welfare policy*, Online: Housing Rights. Available at: <https://www.housingrights.org.uk/sites/default/files/policydocs/HousingRights-evidence-joint-inquiry-northern-ireland-welfare-policy.pdf>.

120 NIHE (2019) *Chronic Homelessness Action Plan: Public Consultation*, Belfast: Northern Ireland Housing Executive. p.8

121 NIHE (2019) *Chronic Homelessness Action Plan*, Belfast/Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Supporting-Documents/RS-246-02-19-Chronic-Homelessness-Action-Plan-ACCE.aspx>. p.2

122 NIHE (2019) *Chronic Homelessness Action Plan: Public Consultation*, Belfast: Northern Ireland Housing Executive. p.40

123 Ibid. p. 36.

124 Watts, B. and Fitzpatrick, S. (2017) ‘Ending Homelessness Together in Northern Ireland: A Unique Challenge’, *European Journal of Homelessness*, 11(2), pp. 117-134.

125 Padgett, D. K., Henwood, B. F. and Tsemberis, S. J. (2016) *Housing First: Ending Homelessness, Transforming Systems, and Changing Lives*. Oxford: Oxford University Press.

126 DePaul (2018) *Housing First Leading the Way Together: Report on Fidelity Assessment of Depaul Belfast and Derry/Londonderry Housing First Service*, Belfast: DePaul.

be able to find homes and places for homeless people to move and live into. It's a huge problem for us. We have lots of clients who are in our sites who could and would be much better off if they were in their own tenancy, there just isn't the supply, there just aren't the options."

(Voluntary Sector Key Informant, 2019)

Supporting People

Supporting People funds a range of housing-related support for vulnerable people, including homeless people. The responsible department for Supporting People (SP) in Northern Ireland is DfC and the administering authority is the NIHE. The original SP strategy – "Supporting People, Changing Lives" – covered the period 2005-2010, and a new SP Strategy was produced in 2013 – "Housing Related Support Strategy 2012-2015".

As reported in the last Homelessness Monitor, DfC led a SP review published in November 2015¹²⁷ which recommended moving away from primarily accommodation-based provision to more floating support models. A new strategic commissioning approach was also intended to rationalise floating support and other SP-funded services, with a focus on intelligence-led needs assessment and the achievement of better value for money via competitive selection and standardised regional payment rates. In September 2018, DfC published an Action Plan for the Implementation of this SP review.¹²⁸

In 2019 we encountered little resistance to these changes in principle amongst the key informants we interviewed, but there was concern

that quite substantial changes in regard to the prioritisation within the SP programme was taking place without all of the data required to make a full needs assessment, albeit that this position was now said to be improving:

"The sector have been saying to them... you need to be looking at where the pressure points are, where unmet need is. Looking demographically about what changes are going to be and that ... will be the foundation for any strategy and for any changes you need to do ongoing and they said they didn't have that data. They are in the process of now trying to amalgamate data between themselves and health... the Housing Solutions team is able to provide them... [with] evidence as well of need."

(Voluntary Sector Key Informant, 2019)

There have been no cuts to the SP budget in Northern Ireland on anything like the scale seen in England,¹²⁹ but funding has been static since 2008, with no inflation-related uplift, so in real terms there have been year-on-year reductions. On the other hand, the ring fence round SP funding, now removed in both England and Scotland, remains in place in Northern Ireland, a fact that was warmly welcomed by voluntary sector providers in 2019, as it has been in previous Monitors:

"...being able to ringfence and keep Supporting People funding to date has been a huge success. Okay, we're all complaining about it shrinking or at least about it staying still, but it is a success in homelessness policy in Northern Ireland that Supporting People still exists. That money

hasn't been subsumed in the local government, and most importantly that it has been ringfenced so the money is still going into homelessness services."

(Voluntary Sector Key Informant, 2019)

"It's seen as a positive thing that in the face of significant funding cuts right across the public sector, we've been able to maintain this at £72.8 million."

(Statutory Sector Key Informant, 2019)

Nonetheless, the declining value of SP funding since 2008 was reported to be affecting the sustainability of some voluntary organisations:

"It is our largest source of funding, but it's not covering what we need in order to keep our services operating the way they are at the minute... As an organisation we are dipping into our reserves and that's obviously something that's completely unsustainable."

(Voluntary Sector Key Informant, 2019)

Moreover, wider spending decisions have also led to the removal of a representative function for the Council for the Homeless Northern Ireland which was met with concern from providers:

"...we are losing the independent voice in Northern Ireland around campaigning and bringing these issues forward which is, I think, going to be a real loss. We will be the only region [of the UK] that that will be the case."

(Voluntary Sector Key Informant, 2019)

3.3 Housing policies in Northern Ireland

Responsibility for housing policy in Northern Ireland lies with the DfC, and ultimately with the Minister for Communities. Since the collapse of the

Northern Ireland Assembly in January 2017, there has been no Minister for Communities and the political stalemate that has characterised the intervening period has made it exceptionally difficult to develop and implement any significant housing policy initiatives.

In the interim, the DfC has consulted widely on a number of housing policy issues with a view to presenting a range of viable policy proposals when the Northern Ireland Assembly returns. However, while operating within an agreed Programme for Government, it is important to bear in mind that the political affiliation of any future Minister for Communities will undoubtedly play a significant role in the direction, emphasis and detail of the policy initiatives actually implemented, as well as the priority given to housing in the allocation of the Northern Ireland Expenditure block by the Northern Ireland Executive.

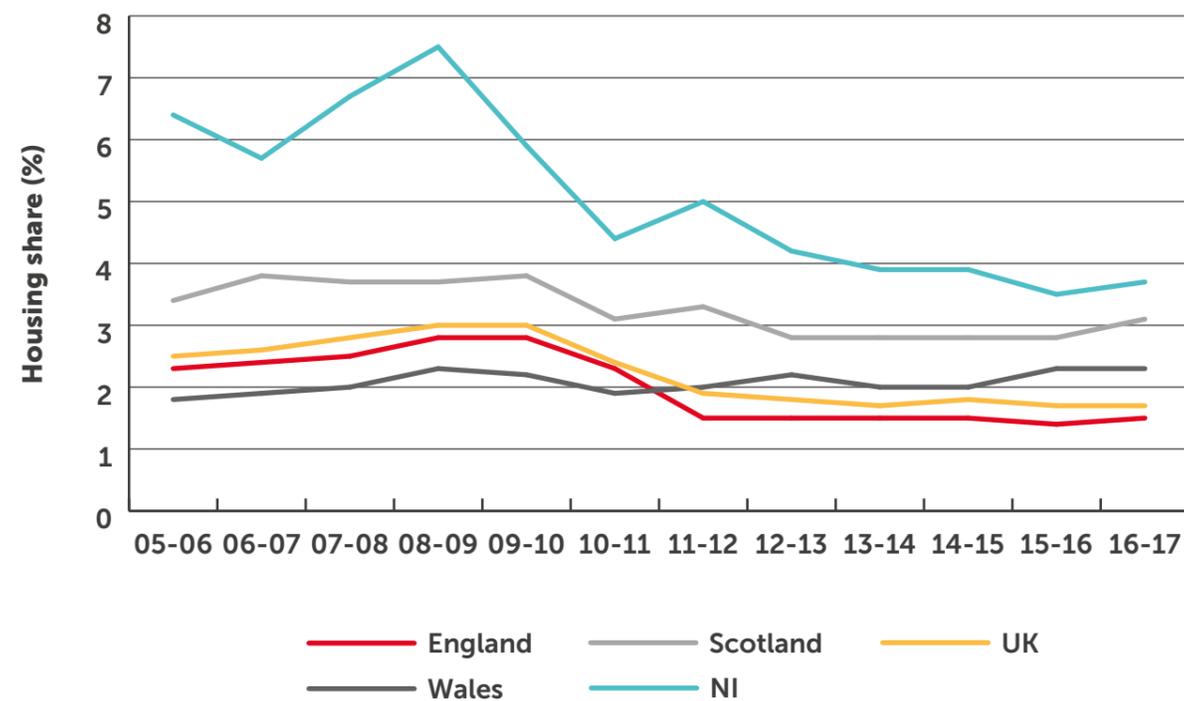
The last Homelessness Monitor (2016) highlighted a range of important housing policy issues that needed to be addressed. Most of these are still outstanding, but progress has been made in terms of undertaking consultations and developing viable proposals. This section revisits these issues as well as summarising other policy related work that has been undertaken by the DfC in partnership with the wider housing sector.

Traditionally, Northern Ireland has benefited from higher levels of government expenditure on housing per capita than other jurisdictions in the UK. This continues to be the case with per capita spend nearly four times higher in Northern Ireland than in the UK as a whole and more than 25% higher than in Scotland. However, since the beginning of "austerity" in 2010, identifiable government expenditure on housing in Northern Ireland has declined considerably. In 2009/10 total spending amounted to

127 DSD (2016) *Action Plan for the Implementation of the Supporting People Review*, Belfast: Department for Social Development.; DSD (2015) *Review of Supporting People: Final Report*, Belfast: Department for Social Development. Available at: <https://www.communities-ni.gov.uk/sites/default/files/publications/dsd/review-of-supporting-people-report.PDF>.

128 DSD (2015) *Review of Supporting People: Final Report*, Belfast: Department for Social Development. Available at: <https://www.communities-ni.gov.uk/sites/default/files/publications/dsd/review-of-supporting-people-report.PDF>.

129 Fitzpatrick, S., Pawson, H., Bramley, G., Wood, J., Watts, B., Stephens, M. and Blenkinsopp, J. (2019) *The Homelessness Monitor: England 2019*, London: Crisis.

Figure 3.1 Housing Share of Government Expenditure in the UK 2005/06 –2016/17

Source: UK Housing Review, Table 56

£1,122m. By 2016/17 this had fallen to £766m, a decline of almost a third.¹³⁰

As a proportion of overall government expenditure, housing expenditure in Northern Ireland remains the highest in the UK, but this proportion fell from a 21st century peak of 7.5% in 2008/09 to 3.7% in 2016/17 (compared with 1.7%) for the UK as a whole¹³¹ (Figure 3.1). The general trend towards lower levels of government expenditure on housing in Northern Ireland reflects the policy priorities of both the UK Government and the Northern Ireland Executive before January 2017, when health and education were increasingly seen as requiring a higher profile. This combination of reducing Government resources for housing and the absence of a functioning Assembly and Executive in Northern Ireland, provide the context for understanding the

inertia that has characterised housing policy in Northern Ireland over the past three years.

Facing the Future

"Facing the Future: The Housing Strategy for Northern Ireland 2012-2017" was published by the DfC in 2015 and continues to remain the overarching document that sets out housing policy direction in relation to a wide range of key issues, including: using public funding in innovative ways to increase the supply of social and affordable housing, ensuring the private rented sector is seen as a viable alternative for a greater number of households, reviewing the current housing quality standard, reviewing the procedures by which social homes are allocated, and carrying out a Social Housing Reform Programme to modernise organisational structures

130 Stephens, M., Perry, J., Wilcox, S., Williams, P. and Young, G. (2018) *UK Housing Review 2018*. Coventry: Chartered Institute of Housing. Table 56

131 Ibid.

for the delivery and management of social housing.¹³²

Housing Supply

Increasing the supply of new housing to meet overall future requirements, including increasing the supply of social and affordable housing was a key policy area emerging from the Housing Strategy. It was also an issue that was reflected in Northern Ireland Executive's "Programme for Government Consultation Document"¹³³ that was published for consultation in October 2016. It adopted an outcomes-based approach and, as part of Outcomes 8 and 13 ("we care for others and we help those in need", and "we connect people and opportunities through our infrastructure"), improving the supply of suitable housing is seen as a key indicator, although the only stated measure of this appears to be the number of households in housing stress on the waiting list for social housing. The document also envisages the provision of an additional 9,600 social homes and support for 3,750 first-time buyers to purchase a new home through Co-ownership over the five-year period.

In January 2018, following further consultation, the Executive Office published a working draft of the "Programme for Government Outcomes Framework" (emphasising that it was still subject to political agreement).¹³⁴ This was essentially a summary table that set out the proposed outcomes and included

the "gap between the number of houses we need and the number of houses we have" and "the number of households in housing stress" as key indicators.

The social rented sector in Northern Ireland has been gradually increasing in recent years as the number of new social dwellings constructed on an annual basis has been significantly higher than the number sold and demolished.¹³⁵ However, unlike in Great Britain (GB), where councils have once again started to build social dwellings, in Northern Ireland housing associations are responsible for the construction and allocation of all new dwellings that make up the Social Housing Development Programme (SHDP). The Housing Executive has put forward proposals to the DfC that would enable it to undertake small scale infill development on its own estates, a policy initiative that would circumvent the need to acquire land, often in areas of high demand where competition from private developers can make this acquisition process expensive and time consuming.¹³⁶ These proposals are currently under consideration.

Since the mid-1990s Northern Ireland's SHDP has been guided by a Net Stock Model developed by Ulster University for the Housing Executive. It is essentially a Northern Ireland adaptation of a residual model developed by the Audit Commission that envisaged overall newly arising housing requirements

132 DfCNI (2015) *Facing the Future: Housing Strategy for Northern Ireland 2012-2017*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/publications/facing-future-housing-strategy-northern-ireland>.

133 Northern Ireland Executive (2016) *Programme for Government Consultation Document*, Belfast/Online: Northern Ireland Executive Office. Available at: <https://www.northernireland.gov.uk/sites/default/files/consultations/newnigov/pfg-consultation-document.PDF>.

134 Northern Ireland Executive (2018) *Programme for Government Outcomes Framework: Working Draft*, Belfast: Northern Ireland Executive Office. Available at: <https://www.executiveoffice-ni.gov.uk/sites/default/files/publications/execoffice/pfg-framework-working%20draft.pdf>.

135 NIHE (2015) *Northern Ireland Housing Market: Review and Perspectives 2015-2018*, Belfast/Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/getattachment/Working-With-Us/Research/Housing-Market/Housing-Market-Review-2015-2018.pdf.aspx?lang=en-GB&ext=.pdf>.

136 Frey, J. (2018) *Social Housing in Northern Ireland: Challenges and Policy Options*, Glasgow: UK Collaborative Centre for Housing EvidenceR2018_SHPWG_02. Available at: https://housingevidence.ac.uk/wp-content/uploads/2018/10/R2018_SHPWG_02_Social-housing-in-Northern-Ireland_webready.pdf.

being determined largely by the future rate of household formation.¹³⁷ The total additional number of new social dwellings needed over a ten-year period is then calculated by subtracting the number of housing completions in the private sector over the previous five or ten years from the projected number of newly formed households, a “residual” figure that is modified slightly by allowing for demolitions, second homes and vacancies. The most recent version of the Net Stock Model envisaged the need for 1,600 new homes to be constructed annually between 2011 and 2021.¹³⁸

Analysis of housing completions under the SHDP indicates that while the overall number of completions has averaged 1,476 per annum for the years 2011/12–2017/18 (10,330 in all), this includes a significant number of Existing Satisfactory Purchases (813), which bring back already existing affordable homes into the social sector as well as homes that have been rehabilitated or re-improved (650).¹³⁹ Both these categories should be excluded from comparisons with the annual housing need figure emerging from the Net Stock Model as they are not *new* social housing dwellings. Nonetheless the Departmental targets for SHDP starts and completions that must take the availability of government finance into consideration has been achieved and indeed exceeded.¹⁴⁰ However, in

recent years, the annual targets for completions have been significantly lower (by several hundred) than both the need figure as determined by the Net Stock Model as well as the SHDP targets for housing starts, something that partially explains why the number of households on the waiting list for social housing who are considered to be in housing stress has risen (see Chapter 2).

The Housing Executive also produces a different estimate of the need for social housing based on an analysis of the waiting list for social housing that conflates newly arising need going forward with backlog need that has built up over previous years as reflected in the current waiting list for social housing.¹⁴¹ Its most recent iteration indicates that there is a need for 14,995 homes to be built over the next five-year period (approximately 3,000 per annum).¹⁴² The waiting list-based assessment of housing need produced using this methodology is then adjusted by the Housing Executive on the basis of a realistic assessment of the availability of public funding (as indicated by Northern Ireland’s draft Programme for Government) to underpin the annual Commissioning Prospectus for Affordable Social and Intermediate Housing. The current Prospectus sets out an annual “Total Target Requirement” of 2,200 for 2019/20, 2,200 for 2020/21 and

2,000 for 2021/22.¹⁴³ However, while estimates of the annual need for additional social housing vary, there is general agreement that there is an ongoing significant undersupply in the construction of new dwellings for the social sector and that this is essentially a reflection of the resources made available by the Northern Ireland Executive (an expenditure pattern that has been maintained in the inter-regnum since the collapse of the Assembly).

Developer Contributions

Unlike in GB, where over the past decade a significant proportion of social housing has been delivered via Developer Contributions (i.e. s 106 agreements in England and s 75 obligations in Scotland), these have not as yet been introduced in Northern Ireland. In policy terms, Developer Contributions were viewed by Government officials in Northern Ireland as a key instrument to be introduced as and when economic circumstances permitted. By 2014, following signs of a slow but significant upturn in the housing market, a public consultation on Developer Contributions was launched.¹⁴⁴ It was envisaged that in the case of developments of five or more dwellings a proportion of the them would be set aside for social and/or affordable private sector homes. The actual numbers would be based on an economic viability model that would take the overall profitability of a given scheme into consideration. Planning permission for housing developments would only be granted if developers agreed to build the requisite number of social/affordable homes, a number

that was guided by a housing needs assessment undertaken by the Housing Executive. Under certain circumstances, as in GB, off-site provision or payment of a commuted sum could replace on site provision.

However, there was a mixed response to the consultation, with approximately half of all respondents supporting the introduction of Developer Contributions, while the remainder were either opposed altogether or much more cautious against a background of a recovering housing market. In parallel to this consultation, the Department of Social Development commissioned the Three Dragons consultancy in partnership with Heriot-Watt University to undertake a comprehensive analysis and evaluation of the issues involved in order to determine their economic impact.

The report emphasised the “fragile” state of the housing market and concluded on the basis of a viability analysis that “*introducing a scheme with a single percentage of affordable housing across the region is not realistic and for most of the region, a developer contribution scheme will not work*” (p.85). In Belfast and its immediate surroundings, a scheme could be considered but the detail would be best resolved through the local development plan process.¹⁴⁵ In the light of the report’s findings, the consultation exercise and the widely acknowledged challenges faced by developers a ministerial decision effectively put the policy temporarily into “cold storage”.¹⁴⁶

137 Paris, C., Palmer, J. and Williams, P. (2014) *Demographic Change and Future Housing Need in Northern Ireland: Final Report*, Belfast: RSM McClure Watters (Consulting) Ltd. Available at: <https://www.nihe.gov.uk/getmedia/47a4709b-3101-43f3-bf7f-95371b34bbb6/demographic-change-and-future-housing-need-in-northern-ireland-november-2014.pdf.aspx?ext=.pdf>.

138 DfCNI (2017) *Housing Market Symposium 2017: Final Report and Recommendations*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/dfc-housing-market-symposium-report-2017.pdf>.

139 DfCNI (2018) *Northern Ireland Housing Statistics 2017-18*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/publications/northern-ireland-housing-statistics-2017-18>. Table 1.9

140 Smyth, C. (2019) ‘Experts call for more investment to reduce housing stress in Northern Ireland’, *The Detail*. Available at: <https://www.thedetail.tv/articles/new-homes>.

141 DfCNI (2017) *Housing Market Symposium 2017: Final Report and Recommendations*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/dfc-housing-market-symposium-report-2017.pdf>.

142 Smyth, C. (2019) ‘Experts call for more investment to reduce housing stress in Northern Ireland’, *The Detail*. Available at: <https://www.thedetail.tv/articles/new-homes>.

143 NIHE (2018) *Commissioning Prospectus: Affordable Social & Intermediate Housing* Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Corporate/Commissioning-prospectus-2019-2022.aspx?ext=.>

144 DSD (2014) *Developer Contributions for Affordable Housing: Public Consultation June 2014*, Belfast: Department for Social Development. Available at: <https://www.communities-ni.gov.uk/sites/default/files/consultations/dsd/developer-contributions-affordable-housing-consultation.pdf>.

145 Three Dragons and Heriot-Watt University (2015) *Developer Contributions for Affordable Housing in Northern Ireland: Report of Study*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/sites/default/files/publications/dsd/developer-contributions-for-affordable-housing-dec15.pdf>.

146 DfCNI (2017) *Housing Market Symposium 2017: Final Report and Recommendations*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/dfc-housing-market-symposium-report-2017.pdf>.

The issue has re-emerged in 2018 with the publication of Belfast City Council's "Local Development Plan – Draft Plan Strategy". This wide-ranging strategic document includes a specific policy (HOU5) that states "Planning permission will be granted for residential development on sites greater than 0.1 hectares and/or containing 5 or more dwelling units where a minimum of 20% of units are provided as affordable housing".¹⁴⁷

Other Councils are following this lead, all be it with less ambitious targets. The Draft Plan Strategy published recently by Antrim and Newtownabbey Borough Council, for example, states that the "Council will only permit a residential development of 40 units or greater, where a minimum of 10% of the total units are provided as affordable housing".¹⁴⁸

Re-Classification of Housing Associations and the Statutory House Sales Scheme

An additional significant risk to ensuring an adequate supply of social housing emerged following a decision by the Office for National Statistics in 2016 to reclassify Registered Housing Associations in Northern Ireland from private sector organisations to public sector ones. Before January 2017, the Northern Ireland Executive agreed that Government officials should work to reverse this decision, including putting forward legislative amendments where necessary. A consultation document produced by the DfC summarised the potential impact that this change of accounting status would mean for the delivery of social and affordable

housing. Effectively, the public purse would have to cover the entire cost of building new social homes. Housing association borrowing that covered approximately half of these costs, although funded privately and repaid from rental streams, would be deemed public expenditure. Effectively this could lead to a halving of the SHDP, unless significant public refunding was made available from elsewhere.¹⁴⁹

The Office for National Statistics (ONS) decision would also impact the delivery of affordable homes via the Co-Ownership scheme, which in recent years has been able to access a total of approximately £100m of Financial Transaction Capital, a source of Northern Ireland Executive funding only available to private sector organisations. If the ONS decision were not to be reversed, the Northern Ireland Co-Ownership Housing Association would be unable to access this source of funding.¹⁵⁰

The reclassification decision by ONS was justified on the basis of the level of Government control over Registered Housing Associations. One of the key indicators of this control was that housing associations are currently forced to operate a Statutory House Sales Scheme (the Northern Ireland equivalent of Right to Buy). In order to address this issue, the DfC launched a secondary consultation to assess views on the possibility of ending the House Sales Scheme – at least for housing associations.¹⁵¹ An urgent decision was required in order to meet a deadline of March 2019 when the reclassification

was due to take effect. A summary of the written responses has not been published, but it appears that, as in the case of Developer Contributions, opinions were divided with some supportive of the decision to end the Statutory Scheme,¹⁵² whereas others voicing concerns about the popularity of the scheme among tenants and elected representatives, who see house sales as one of the few routes into home ownership for households on lower incomes, in particular, because no deposit is required. At all stages of the consultation process the DfC emphasised that the ending of the Statutory House Sales Scheme would of course require Ministerial approval. However, in the event UK Treasury agreed to a further "derogation" that would postpone the implementation of the reclassification decision until March 2020. The DfC has confirmed that legislation has been drafted "to address the issues identified by ONS and which should facilitate a review of the ONS decision to classify the Northern Ireland housing associations to the public sector".¹⁵³ A decision by the ONS to once again reclassify housing associations in Northern Ireland as private sector bodies would mirror the ONS decisions taken with regard to England (November 2017), Wales (August 2018) and Scotland (September 2018).¹⁵⁴

The Private Rented Sector: Quality and Regulation

The significant increase in the proportion of homes in the private rented sector in Northern Ireland,

as in the rest of the UK, is essentially the housing market's response to the challenges faced by first-time buyers in gaining a first foothold on the ladder of owner-occupancy on the one hand, and, on the other, the inadequate supply of social housing for households on low incomes (see Chapter 2). Against a background of increasingly constrained public resources for housing, Facing the Future recognised that the private rented sector would have to play a greater role in meeting future housing need. The strategy highlighted the need to introduce a new minimum quality standard for the sector and improve its regulation in order to help ensure that the private rented sector was seen as a viable option for a greater number of households in the longer term.

Two consultations were launched by DfC shortly before publication of the 2016 Homelessness Monitor. The first of these was a discussion document related to the role and regulation of the private rented sector.¹⁵⁵ The 2016 Homelessness Monitor noted that it only contained a small number of specific proposals to reform the sector, including some to strengthen the regulatory regime and extend it to letting agents. The discussion document also confirmed the Department's reluctance to introduce a landlord licensing scheme, because of the extra burden it places on "reputable" landlords who meet their obligations, but was more positive about the potential for a landlord

147 Belfast City Council (2018) *Local Development Plan: Draft Plan Strategy 2035*, Online: Belfast City Council, Available at: <https://www.belfastcity.gov.uk/buildingcontrol-environment/Planning/ldp-plan-strategy.aspx>, p.69

148 Antrim and Newtownabbey Borough Council (2019) *Local Development Plan – Draft Plan Strategy, 2030*, Available at: <https://antrimandnewtownabbey.gov.uk/draftplanstrategy/>, p.143

149 DfCNI (2016) *Proposals to seek reversal of the reclassification of registered Social Housing providers in Northern Ireland*, Online: Department for Communities, Available at: <https://www.communities-ni.gov.uk/sites/default/files/consultations/communities/proposals-see-reversal-reclassification-registered-social-housing-providers-ni-consultation.pdf>.

150 Ibid.

151 DfCNI (2018) *Classification of Registered Housing Associations in Northern Ireland, Consultation 2: Future of the House Sales Scheme*, Online: Department for Communities, Available at: <https://www.communities-ni.gov.uk/consultations/classification-registered-housing-associations-northern-ireland-consultation-two-future-house-sales>.

152 CIH (2018) *CIH Northern Ireland responds to consultation on House Sales Scheme*, Online: Chartered Institute of Housing, Available at: [http://www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/NI/CIH_Northern_Ireland_responds_to_consultation_on_House_Sales_Scheme](http://www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/NI/CIH_Northern_Ireland_responds_to_consultation_on_House_Sales_Scheme;);

Orme, S. (2017) 'Housing Rights Responds on ONS Reclassification of Housing Associations', *Housing Rights*, Available at: <https://www.housingrights.org.uk/news/policy-housing-rights-responds-ons-reclassification-housing-associations>.

153 Barker, N. (2019) 'Treasury delays reclassification of NI housing associations until 2020', *Inside Housing*, Available at: <https://www.insidehousing.co.uk/news/news/treasury-delays-reclassification-of-ni-housing-associations-until-2020-61066>.

154 SFHA (2018) *ONS Announce Reclassification Decision*, <https://www.sfha.co.uk/>; Scottish Federation of Housing Associations, Available at: <https://www.sfha.co.uk/our-work/policy-category/governance-and-regulation/sub-category/ons-reclassification/policy-article/rsls-reclassified-as-private>.

155 DSD (2015) *Review of the Role and Regulation of the Private Rented Sector*, Belfast/Online: Department for Social Development, Available at: <https://www.communities-ni.gov.uk/sites/default/files/consultations/dsd/review-role-regulation-of-private-rented-sector-consultation.pdf>.

accreditation scheme to promote professionalisation of the sector. A summary of the 85 responses to this consultation were published by the Department in 2016¹⁵⁶ and indicated high levels of support (more than 80%) for additional Government assistance for tenants, existing landlords and new investors, changing the eviction process, regulating letting agents, introducing a disputes resolution service, and higher safety and minimum energy standards; there was also moderate support for changes to the Landlord Registration Scheme, longer term tenancies and further professionalisation and regulation of the sector.

These wide-ranging responses were reflected in the second round of consultation on the sector that began in January 2017 when the DfC published a consultation document entitled *Private Rented Sector in Northern Ireland - Proposals for Change*.¹⁵⁷ These proposals were designed to achieve the Department's vision of the private rented sector as one that is "professional, well managed, affordable, sustainable and which provides a viable housing option with security for both tenants and landlords" (p.4), and stressed the importance of getting the balance right between protecting tenants and ensuring good landlords aren't overburdened by needless regulations.

The document puts forward a considerable number of proposals, often based on the experience of good practice in other parts of the UK. For example, the consultation document proposes restricting

the number of times rents can be increased in a twelve-month period – in passing the document mentions evidence of landlords currently imposing rent increases with little notice and more than once a year. It also contains proposals to ensure all private sector tenants are issued with a written agreement containing mandatory terms, including increasing the minimum notice to quit period from four weeks to two months for tenancies lasting more than 12 months. In order to enhance a balance in landlord-tenant relationships the document also proposes introducing a Fast Track Eviction process, piloting a dedicated landlord advice line and examining a landlord training programme. Other proposals include developing a tenant information pack, amending the Landlord Registration Regulations to incorporate a fitness declaration at the point of registration, introducing a regulatory framework for letting agents and establishing an independent housing panel to resolve landlord-tenant disputes that would inevitably arise. So far, the DfC has not published a summary of the responses to this consultation, but it continues to be actively engaged in housing events and forums which are designed to make a policy impact.¹⁵⁸

Northern Ireland's Housing Strategy also committed Government to reviewing housing quality standards across all tenures, including the private rented sector with a view to developing a new minimum standard and examining ways of supporting owners, including private landlords, to improve energy efficiency. A discussion document on the issue

was published by the Department for Social Development in March 2016.¹⁵⁹ Essentially it set out two broad options: firstly, an enhanced housing fitness standard, that as the name suggests would address key deficiencies of the current Fitness Standard by adding in criteria in relation to, for example, thermal comfort and fire safety, or secondly, the introduction of a risk-based assessment model such as the Housing Health and Safety Rating System that currently forms part of the Decent Homes Standard in England.¹⁶⁰ The Department's discussion document recognises the advantages of the second option including promoting a joined-up approach across a number of key policy areas such as addressing fuel poverty and accidents in the home as well as enabling more direct comparisons with England and Wales. However, the financial implications of the two options are significantly different. The document estimates that in order to bring all occupied dwellings up to standard under the first option would cost £55m, while choosing the second option would cost approximately twice as much (£119m). The substantial financial implications of introducing the second and higher standard, and the expectation of Government support to do so – either through loans or grants – has at a time of budgetary pressure meant that no significant progress has been made towards introducing a new higher standard since the publication of the last Homelessness Monitor.

Allocation of Social Housing

Another key housing policy issue raised in Northern Ireland's 2015 Housing Strategy was the need to review the Housing Selection Scheme that forms the basis for allocating social homes in Northern Ireland. The 2016 Homelessness Monitor noted the extreme sensitivity of allocations policy in Northern Ireland for historical and political reasons and the exceptionally large proportion of lettings to statutorily homeless applicants (Full Duty Applicant (FDA) status). The Department for Social Development had commissioned Ulster University and the University of Cambridge to undertake a fundamental review of allocations policy and the final report published in December 2013¹⁶¹ made a number of key recommendations, including: retaining universal access to social housing, continuing with a needs-based assessment as the basis for prioritising applicants for social housing, but incorporating a time-based "banding" system, a Local Lettings Policy in exceptional circumstances, a maximum of two reasonable offers (instead of three) to all applicants, including statutorily homeless households. The research did not specifically recommend the removal of intimidation points¹⁶² but noted that previous consultations had indicated widespread dissatisfaction with the potential for abuse of this provision, a feature that was borne out by the qualitative research undertaken as part of the 2016 Homelessness Monitor.

156 DSD (2016) *Summary of Responses to the Review of the Role and Regulation of the Private Rented Sector Discussion Paper*, Online: Department for Social Development. Available at: <https://www.communities-ni.gov.uk/sites/default/files/consultations/dsd/summary-of-private-rented-sector-discussion-paper-responses.pdf>.

157 DfCNI (2017) *Private Rented Sector in Northern Ireland - Proposals for Change* Online: Department for Communities.

158 McGreal, S. and Frey, J. (2019) *Stakeholder engagement on the private rented sector and changing housing aspirations*, Online: UK Collaborative Centre for Housing Evidence. Available at: <https://housingevidence.ac.uk/wp-content/uploads/2019/05/Dept-of-Communities-Stakeholder-Engagement-meeting.pdf>.

159 DSD (2016) *Review of the Statutory Minimum Housing Fitness Standard for All Tenures of Dwelling*, Belfast: Department for Social Development. Available at: <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/review-statutory-minimum-housing-fitness-standard-all-tenures-dwelling.pdf>

160 In Northern Ireland, the first element of the Decent Home Standard continues to be the Fitness Standard.

161 Gray, P., Keenan, M., McNulty, U., Clarke, A., Monk, S. and Tang, C. (2013) *Research to inform a fundamental review of social housing allocations policy: Final Report Conclusions and Recommendations*, Online: University of Ulster & University of Cambridge for the Department for Social Development. Available at: http://uir.ulster.ac.uk/29108/2/fundamental-review-of-allocations-policy_-_final.pdf.

162 Points awarded under Northern Ireland's Housing Selection Scheme to applicants for social housing whose "home has been destroyed or seriously damaged (by explosion, fire or other means)" or where there is evidence of a "serious and imminent risk" of death or serious injury to an applicant due to a "terrorist, sectarian or racial attack", or because of an attack motivated by hostility towards an applicant's disability or sexual orientation, <https://www.nihe.gov.uk/Documents/Housing-selection-Scheme/housing-selection-scheme.aspx>

In September 2017, the DfC published a 180-page consultation document based on these recommendations. It also took into account comments from the housing sector, a comparative study of policies in GB, and modelling work undertaken by the Housing Executive using existing waiting list data to examine the impact of a number of the proposals (specifically the introduction of banding and the removal of intimidation points¹⁶³). The document contained a range of proposals for amending the existing allocations policy with the aim of achieving five outcomes: “1. A greater range of solutions to meet housing need; 2. An improved system for the most vulnerable applicants; 3. A more accurate waiting list that reflects current housing circumstances; 4. Those in greatest housing need receive priority, with recognition of their time in need; and, 5. Better use of public resources by ensuring the list moves smoothly”.¹⁶⁴

The document made 20 proposals, including an independent tenure-neutral housing advice service, sanctions for applicants with a record of unacceptable behaviour, a proposal that the Housing Executive could meet its homeless duty on a tenure-neutral basis, the removal of intimidation points and interim accommodation points from the scheme, the placing of applicants into bands based on similar levels of need, multiple offers and choice based letting for difficult to let properties, and, finally, only two reasonable offers which, if refused,

lead to deferral of any further offers for a year.

There is general agreement within the housing sector about the appropriateness of a significant proportion of the proposals. However, the political sensitivity of some of them – in particular the removal of additional points for intimidation cases and the ability of the Housing Executive to discharge its homelessness duty in the private rented sector¹⁶⁵ – has meant that in the interim, given the absence of an Assembly and a Minister responsible for housing, little progress has been made with regard to implementation.

The Future of the Housing Executive

Facing the Future, while acknowledging the valuable role played by the Housing Executive throughout the previous four decades, argued that the time was right to examine its structure and funding in the light of tighter constraints on public expenditure, Northern Ireland’s new local government structures and the need to ensure that tenants enjoy good quality homes and housing services. The 2016 Homelessness Monitor highlighted the uncertainty surrounding the future of the Housing Executive, but indicated that earlier predictions of its imminent demise were premature. Given the special place that it occupies in the Northern Ireland’s political history, transferring the Housing Executive’s stock to new or existing housing associations – even if this meant being able to access additional resources for social housing

- was always going to be a major bone of contention.¹⁶⁶

The 2016 Homelessness Monitor highlighted the investment deficit that was leading to a deterioration in the quality of the Housing Executive’s stock due to a combination of budgetary pressures, including not only the tighter public expenditure environment, but also a much lower income stream from capital receipts from the sale of dwellings to sitting tenants scheme and since 2015/16 a rent freeze. Historically, a significant proportion of funding for upgrading Housing Executive stock came from house sales, but this dropped away sharply after 2004 when the level of discount given to sitting tenants purchasing their home was capped at £24,000. Since then there has been no policy appetite to increase this amount. Indeed, given the shortage of social homes and the reclassification of housing associations issue, it is more likely that as in Scotland and Wales the right to buy will be brought to an end altogether.¹⁶⁷

A comprehensive survey of Housing Executive dwelling stock undertaken in 2014/15 estimated that more than £6 billion was required over a 30-year period to bring it up to modern standards.¹⁶⁸ A policy of transferring small numbers of Housing Executive properties in need of significant repairs to housing associations with access

to private funding sources attempted to address this issue. Tenants in two pilot schemes (in Derry/Londonderry and Bangor) voted in favour of the transfer and improvement of more than 120 properties to two housing associations.¹⁶⁹ However, more recently, after tenants on two estates (in Ballyclare and Ballymena) voted against stock transfer the DfC suspended the programme pending the return of Ministerial responsibility.¹⁷⁰

The Housing Executive’s most recently published Corporate Plan¹⁷¹ notes that “moving forward in the current financial climate is not without its challenges” (p.4). Given the uncertainty over the future of the Social Housing Reform Programme (that could have facilitated the Housing Executive being able to borrow without it being counted as public expenditure), the ongoing rent freeze and an updated figure of more than £7bn to upgrade the stock, the Corporate Plan projects a shortfall of approximately £1bn over a ten year period from 2018/19. This would mean that the necessary upgrading could only be carried out to half the stock, with the remainder enjoying only health and safety works and response maintenance. Disinvestment would start with the worst performing stock, including larger estates of non-traditional construction, which could lead after a period of time to

163 In 2017/18 there were 558 applicant intimidation cases, 355 of these were accepted as Full Duty Applicant cases by the Housing Executive, mainly on the basis of paramilitary intimidation: NIHE (2018) Housing statistics. Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Working-With-Us/Corporate-data/Housing-statistics>.

164 DfCNI (2017) *A Fundamental Review of Social Housing Allocation: Consultation on Proposals*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/sites/default/files/consultations/communities/AW-041017%200641%20Housing%20Consultation%20Review%20of%20Social%20Housing%20Allocation.pdf>.

165 It should be noted that legally the Housing Executive is currently able to discharge its homelessness duty in the private sector. Custom and practice, however, has meant this does not take place and leads to a situation where a FDA applicant may find what is considered suitable accommodation in the private rented sector, yet still keeps their FDA status and associated points under the Housing Selection Scheme.

166 Frey, J. (2018) *Social Housing in Northern Ireland: Challenges and Policy Options*, Glasgow: UK Collaborative Centre for Housing EvidenceR2018_SHPWG_02). Available at: https://housingevidence.ac.uk/wp-content/uploads/2018/10/R2018_SHPWG_02_Social-housing-in-Northern-Ireland_webready.pdf.

167 CIH (2018) *CIH Northern Ireland responds to consultation on House Sales Scheme*. Online: Chartered Institute of Housing. Available at: http://www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/NI/CIH_Northern_Ireland_responds_to_consultation_on_House_Sales_Scheme. Frey, J. (2018) ‘Reclassifying Housing Associations in Northern Ireland - Abolishing the Statutory House Sales Scheme’. Available at: <https://housingevidence.ac.uk/reclassifying-housing-associations-in-northern-ireland-abolishing-the-statutory-house-sales-scheme/>.

168 NIHE (2017) *Corporate Plan 2017/18 - 2020/21*, Belfast/Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Other-Key-Documents/corporate-plan-2017-2021>.

169 NIHE (2015) *Northern Ireland Housing Market: Review and Perspectives 2015-2018*, Belfast/Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/getattachment/Working-With-Us/Research/Housing-Market/Housing-Market-Review-2015-2018.pdf.aspx?lang=en-GB&ext=.pdf>.

170 Barker, N. (2018) ‘NIHE stock transfer programme suspended’, Inside Housing. Available at: <https://www.insidehousing.co.uk/news/news/nihe-stock-transfer-programme-suspended-59053>.

171 NIHE (2017) *Corporate Plan 2017/18 - 2020/21*, Belfast/Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Other-Key-Documents/corporate-plan-2017-2021>.

them being considered unsuitable for letting – something that would have a significant impact on the level of Housing Stress on the waiting list for social housing – and therefore also lengthier delays for FDAs waiting to be rehoused in permanent accommodation. In particular, the Housing Executive's 32 Tower Blocks require an estimated investment of over £300 million over a 30-year period and are now being considered for demolition. A draft long-term action plan envisages work being completed in three 5-year phases and would be guided by the availability of suitable alternative accommodation for existing residents.

Writing in March 2019, Inside Housing observes that after more than two years of having no Government "enormous funding issues remain unresolved", including the fact that Housing Executive rents continue to be approximately 25 % lower than those for comparable housing association properties in Northern Ireland. The Chief Executive of the Housing Executive envisages that the solution in the longer term is to transform the Housing Executive's landlord function into a "different legal entity" enabling it to borrow off the public balance sheet in the same that housing associations in Northern Ireland are able to do currently. A mutual cooperative model like Rochdale Boroughwide Housing is being examined, but obviously a major decision such as this would require Ministerial approval.¹⁷²

Redefining Affordable Housing

As in the rest of the UK, constraints on public expenditure for social housing have led to a growing policy focus on affordable housing in the private sector. As part of this

process, and in the light of a changing funding and policy context, housing associations trying to diversify and modern construction methods, the DfC issued a consultation paper on proposals to update and broaden the current Northern Ireland definition of "affordable housing", with the ultimate aim of providing greater clarity and consistency.¹⁷³ The consultation document emphasises that the principal of universal access to social housing will not be undermined, but expresses the hope that providing a broader range of intermediate housing types will help meet the needs of, for example, active older people, people with disabilities and households on low incomes who do not have enough points for them to access social housing.

The proposed definition is "*housing provided for sale or rent outside of the general market for those whose needs are not met by the market. Affordable housing, which is funded by Government must remain affordable or, alternatively, there must be provision for the public subsidy to be repaid or recycled in the provision of new affordable housing*".¹⁷⁴

The current definition of affordable housing in Northern Ireland includes social housing provided by the Housing Executive or registered housing associations and intermediate housing provided primarily by the Northern Ireland Co-Ownership Housing Association. Drawing on experience from GB, the DfC proposes to extend the current definition to include Rent to Buy or Rent to Own, Shared Equity (in addition to the current Shared Ownership scheme), Discounted Market Sales and Affordable Rent products such as mid-market rent. It also indicates that low

cost housing without subsidy (defined as housing that is priced at below the county average) appears to be counted as affordable housing under the National Planning Policy Framework in England¹⁷⁵ and in Scotland under Scottish Planning Policy.¹⁷⁶ However, on first reading this would seem to contradict the proposed new definition that sees affordable housing being outside the "general market".

3.4 Welfare reforms Devolution, Welfare Reform and Mitigation

Devolution in the UK in the late 1990s led to the transfer of significant legislative and executive powers from Westminster to the three devolved governments in Scotland, Wales and Northern Ireland. These powers related primarily to education, health and housing, but Northern Ireland has enjoyed additional powers enabling it to enact its own social security legislation.¹⁷⁷ Indeed, since 2010, policy divergence increased significantly with regard to welfare policy designed to support households on low incomes, and particularly those in the social and private rented sectors. Prior to 2010, Northern Ireland had generally followed the "parity principle", whereby welfare policies mirrored those in operation in the rest of the UK. However, the political parties in Northern Ireland's coalition Government failed to agree on the introduction of equivalent legislation to the 2012 Welfare Reform Act in GB, a conflict that was temporarily resolved

by agreement that responsibility for passing the necessary legislation should pass to Westminster.¹⁷⁸

The resulting piece of legislation, the Welfare Reform Order (Northern Ireland) 2015 came into effect in December 2015,¹⁷⁹ and was subsequently modified by the Welfare Reform and Work (Northern Ireland) Order 2016¹⁸⁰ to include powers that allowed for the mitigation of some of the key reforms (the "mitigation package") as agreed in the Stormont House Agreement (2014) and Fresh Start Agreement (2015). The Homelessness Monitor 2016 provided details of the mitigation package, including the recommendations of the Welfare Reform Mitigations Working Group specifically set up to advise Government on the details of the package,¹⁸¹ and highlighted the significant concerns expressed by the housing sector about the impact of welfare reforms in Northern Ireland on low income households, their ability to access and sustain tenancies in the social and private sectors, and in particular the very significant detrimental effects that would result from the ending of mitigation in March 2020. This section, therefore, focuses on the "Review of Welfare Mitigation Schemes" published by the DfC in March 2019 – a commitment given by the Northern Ireland Executive as part of the Fresh Start Agreement,¹⁸² before turning to the most recent research and evidence.

172 Barker, N. (2019) 'Endgame: what now for the Northern Ireland Housing Executive?', *Inside Housing*. Available at: <https://www.insidehousing.co.uk/insight/insight/endgame-what-now-for-the-northern-ireland-housing-executive-60732>.

173 DfCNI (2019) *Definition of Affordable Housing: Consultation Paper*, Online: Department for Communities. Available at: <https://www.communities-ni.gov.uk/sites/default/files/consultations/communities/dfc-consultation-paper-affordable%20Housing.pdf>.

174 Ibid., p.11.

175 MHCLG (2018) *National Planning Policy Framework*, London/Online: Ministry of Housing, Communities & Local Government. Available at: <https://webarchive.nationalarchives.gov.uk/20181206183454/https://www.gov.uk/government/publications/national-planning-policy-framework--2>.

176 The Scottish Government (2014) *Scottish Planning Policy*, Edinburgh: The Scottish Government. Available at: <https://www.gov.scot/publications/scottish-planning-policy/>.

177 Muir, J. (2016) 'Social housing policy in Northern Ireland under devolution 1999-2015', in Shanks, P. and Mullins, D. (eds.) *Housing in Northern Ireland*. Coventry: Chartered Institute of Housing.

178 McKee, M., Muir, J. and Moore, T. (2017) 'Housing policy in the UK: the importance of spatial nuance', *Housing Studies*, 32(1), pp. 60-72.

179 *The Welfare Reform (Northern Ireland) Order 2015 (No. 2006 (N.I. 1))*.

180 *The Welfare Reform and Work (Northern Ireland) Order 2016 (No. 999 (N.I. 1))*.

181 Evason, E. (2016) *Welfare Reform Mitigations Working Group Report*, Online: The Executive Office, Northern Ireland. Available at: <https://www.executiveoffice-ni.gov.uk/sites/default/files/publications/ofmdfm/welfare-reform-mitigations-working-group-report.pdf>.

182 DfCNI (2019) *Review of Welfare Mitigation Schemes*, Belfast: Department for Communities. Available at: <https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-review-of-welfare-mitigation-schemes-2019.pdf>.

The DfC is responsible for providing a number of welfare mitigation measures that provide additional financial support to households who have experienced a reduction in their benefits as a result of the welfare reforms. Its detailed "Review of Welfare Mitigation Schemes" is designed to review progress against the recommendations made by the working group in 2016, evidence of the potentially very detrimental effects of ending mitigation in March 2020, as well as providing estimates of the numbers of claimants and costs of continuing the schemes. Understandably, there is a focus on the Social Sector Size Criteria (the "Bedroom Tax") that would impact the greatest number of households (an estimated 34,000) and identifies a number of options on future mitigation, highlighting the funding implications and the need for additional legislation at a time of ongoing political uncertainty.

The Northern Ireland Executive had agreed an allocation of £585m to fund the mitigation package for a four-year period from 2016/17 until 2019/20, a figure that was subsequently revised downwards to

£501m following reversal of proposals originally announced by Westminster. A further £8m was allocated to fund independent advice services over the four-year period.¹⁸³

The Welfare Reform Mitigations Working Group had made a number of specific recommendations to protect households most affected by welfare reform. The DfC implemented these recommendations by means of a set of Welfare Supplementary Payment schemes designed "to ensure that payments would be made to those in most need while remaining within the agreed budget".¹⁸⁴ This "mitigation package" distinguished between Welfare Supplementary Payments that were normally available for up to one year (to cover losses due to ill-health, disability and caring arrangements) and those that were to be made available for the full four-year period, namely the Benefit Cap and the Social Sector Size Criteria. The DfC has estimated the resulting impacts by examining caseload up until September 2018. Figures for the key Welfare Supplementary Payments are summarised in Table 3.1¹⁸⁵ and provide an indication of the scale of the mitigation package.

The Benefit Cap that was originally set at £26,000 for couples and lone parents, but was lowered to £20,000 in November 2016, resulted in a total caseload of almost 3,000 mitigation payments (Table 1b). Contributory Employment and Support Allowance was time limited to 365 days from November 2016 resulting in a caseload of more than 3,000 (Table 2b). The introduction of Personal Independence Payments (PIP) in June 2016 to replace Disability Living Allowance (DLA) resulted in a mitigation caseload of approximately 24,000, two thirds of whom received 75% (where their loss was less than £10) and the remainder full payment pending appeal (Table 3b).

The Welfare Supplementary Payment that at present continues to protect the greatest number of households is the one made available to working-age claimants in the social sector who are considered to be under-occupying under the Social Sector Size Criteria¹⁸⁷ and has resulted in approximately 42,000 households being protected from the gap between actual rent payable and the reduced eligible rent calculated for Housing Benefit purposes or for the housing element of Universal Credit (Table 6b).

In addition, an income-based Discretionary Support Scheme was introduced to replace the elements of the discretionary Social Fund abolished under the welfare reform. It is available to unemployed and working claimants and is designed to meet specific urgent needs of particularly vulnerable households. Over a period of 18 months up to September 2018, a total of more than 71,000 awards were made, involving grants of £11m and loans of £5.7m.

In the final sections of its report, the DfC assesses the likely impact of the

termination of mitigation payments in March 2020, estimates the cost of any future mitigation package and proposes some options for mitigation going forward. The Department estimates that by 2020 the numbers entitled to Welfare Supplementary Payment for the time-limitation of Employment and Support Allowance and the transition from DLA to Personal Independence Payments would be very small. However, ending the Benefit Cap would affect approximately 1,500 claimants who on average receive £42 per week, an overall annual expenditure of £3.33m. By far the biggest impact, however, would result from the ending of the Social Sector Size Criteria. The 34,000 households would lose an average £12.50 a week, an amount that equates to £22m per annum. It is difficult to accurately estimate the potential impact of this very significant reduction in financial support for low income households on the level of homelessness in Northern Ireland. However, the withdrawal of £22m of specifically for housing costs must be seen as a major risk factor in causing a significant increase in the number of low-income households at risk of homelessness in the future.

A Housing Executive report published in November 2018¹⁸⁸ and cited by the Department in its Review highlights the wider implications of welfare reform, including the impacts on landlords and home owners if the mitigation package comes to an end, and concluded that there would be a significant increase in poverty among lower income households that would manifest itself in increasing rent arrears. In Northern Ireland's social housing sector the issue is exacerbated by "a clear mismatch between the size and type of social housing stock required to avoid Social Sector Size

Table 3.1 Welfare Reform: Mitigation Payment Caseloads¹⁸⁶

	2016/17	2017/18	Apr–Sept 2018
Benefit Cap	2,020	700	220
Contributory ESA	2,320	600	150
DLA to PIP	1,410	12,600	10,430
Social Sector Size Criteria	34,000	5,360	2,660

Source: DfC, *Review of Welfare Mitigation Schemes*, 2019, Tables 1b, 2b, 3b and 6b.

183 Ibid.

184 Ibid., p.7.

185 Ibid., based on a combination of narrative and tabular information from the report.

186 Actual cases newly affected each year rounded to the nearest 10

187 It is important to note that this does not apply to households that move home and continue to under-occupy, unless the move has been granted 'Management Transfer Status'

188 NIHE (2018/19) *Welfare Reform in Northern Ireland: A Scoping Report*, Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/getmedia/2b5db9a7-6fd8-420c-9265-da85a29d70b0/welfare-reform-ni-a-scoping-report.pdf.aspx?ext=.pdf>.

Criteria deductions and the profile of the existing stock” (p.45), making it impossible for many claimants affected to move to smaller accommodation in the sector. Indeed, less than a fifth of self-contained social dwellings have one bedroom while “single (working age) applicants consistently account for almost half (45%) of the waiting list and a similar proportion of allocations each year” (p.43).

The estimated costs of any future mitigation package largely reflect the amounts to cover continued mitigation for the Social Sector Size Criteria and the Benefit Cap (in total approximately £25m each year) plus an additional £3.8m to cover claims for child DLA. Additional amounts over and above the current budgetary provision for the Universal Credit Contingency Fund and Transitional Protection are not expected to be significant, for example, The DfC “Review of Welfare Mitigation Schemes” report indicates that a total of approximately £200k has been paid out during the first six months of 2018/19 by the Contingency Fund.¹⁸⁹

The DfC indicates that given the number of households currently affected by the Social Sector Size Criteria and the lack of smaller dwellings in the social sector, there is a strong case to support the continuation of mitigation for the Social Sector Size Criteria. It also argues that there is some justification for extending mitigation for households adversely impacted by the Benefit Cap but highlights the availability of Discretionary Housing Payments as a means of doing this. However, the Department’s report highlights the fact that the legislation enabling the payment of Welfare

Supplementary Payments was approved by the Northern Ireland Assembly.¹⁹⁰ The approved legislation clearly states that these mitigation payments will end in March 2020. Extending the mitigation package would therefore need to overcome some significant legislative hurdles in the absence of a functioning Northern Ireland Assembly and Executive and would require the intervention of Westminster. However, even this is complicated by the “the ‘sunset clause’ included in the Northern Ireland (Welfare Reform) Act 2015...” that means the “Westminster Parliament cannot currently make new primary legislation on matters relating to social security in Northern Ireland”.¹⁹¹ In order to address this issue a new Legislative Consent Motion from the Northern Ireland Assembly would be required.

In the light of this conundrum, the Department examines using the Discretionary Housing Payments that can provide financial support with housing costs for households on a qualifying social security benefit who are confronted with a shortfall between their contractual rent and what they receive in Housing Benefit or the housing element of Universal Credit. It notes that “Scottish Government makes use of Discretionary Housing Payments to ‘fully’ mitigate the Social Sector Size Criteria in addition to providing financial support to people affected by the Benefit Cap” and considers this an alternative means to extend the mitigation package, but is aware that there is no “guarantee that all claimants affected by the Social Size Criteria would receive a Discretionary Housing Payment equivalent to any loss of benefit”.¹⁹²

In January 2019, the Northern Ireland Audit Office (NIAO) published a report on Welfare Reform¹⁹³ that provides some important insights from a somewhat different angle. It highlights a number of key facts, including that the annual social security expenditure in Northern Ireland is £7.3 billion and an anticipated saving of £3 billion to the public purse from the introduction of Personal Independence Payments and Universal Credit in Northern Ireland over a 9 year period – a saving that would be reflected in a comparable loss of income to households on low incomes and people with a disability. The report also notes the £16.5m each year received by the Housing Executive in mitigation payments and confirms that there is no budget for mitigation after March 2020 – what has become known as the “cliff edge”.

The NIAO report provides a number of statistics in relation to the period following the phased introduction of Universal Credit in Northern Ireland in September 2017: 12,000 claimants were processed by June 2018, with 82 % of claims paid on time and in full. A “managed migration” envisages the transfer of approximately 300,000 claimants of the six existing benefits to Universal Credit between July 2019 and March 2023. Northern Ireland has benefited from “unique flexibilities”, including payment of Universal Credit twice a month and the direct payment of the housing cost element to landlords.

The Homelessness Impacts of the “Cliff Edge”

The NIAO report also highlights that the welfare reforms are likely to impact significantly on the housing sector because of the heavy reliance of many social housing tenants on benefits (see Chapter 2). In the absence of continuing mitigation, the shortage of smaller social dwellings

would result in deductions for under-occupancy, making it increasingly difficult for low income families to sustain their tenancies and leading in turn to higher levels of homelessness. This resulting increase in rent arrears could pose financial threats to both housing associations and the Housing Executive, which in turn could lead to fewer resources being available to address the housing and support needs of households who are either already homeless or at serious risk of homelessness.

The rollout of Universal Credit and the upcoming benefits “cliff edge” when the mitigation package ends in April 2020 was viewed with extreme trepidation by our key informants:

“... if we don’t have a Stormont Executive for another two years, if there are no mitigation measures in England, it is highly unlikely the Westminster Government will make any contribution to Northern Ireland in order to sustain mitigation. We could end up with a vast quantity of people in arrears, many of those through the application of the Bedroom Tax but nowhere to put them. We do not have any smaller houses to put people in...We are anticipating there is going to be an absolute explosion in regard to homelessness. Housing Association movement are not so generous in regard to keeping people who are in arrears, the Private Rented Sector don’t want to know.”

(Voluntary Sector Key Informant, 2019)

“So I think landlords and letting agents are very uneasy about Universal Credit and the impact of it. It just feels quite high-risk to me, that on one hand the housing division and housing policy are relying so heavily on a Private Rented Sector that Social

189 DfCNI (2019) *Review of Welfare Mitigation Schemes*, Belfast: Department for Communities. Available at: <https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-review-of-welfare-mitigation-schemes-2019.pdf>. Appendix 5

190 With the exception of mitigation payments for Universal Credit that were authorised by the Westminster Parliament.

191 DfCNI (2019) *Review of Welfare Mitigation Schemes*, Belfast: Department for Communities. Available at: <https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-review-of-welfare-mitigation-schemes-2019.pdf>. p.45

192 Ibid., p.46.

193 NIAO (2019) *Welfare Reforms in Northern Ireland*, Belfast: Northern Ireland Audit Office. Available at: <https://www.niauditoffice.gov.uk/sites/niao/files/media-files/Welfare%20Reform%20Report%202019.pdf>.

Security policy are basically pulling the rug from under..."

(Voluntary Sector Key Informant, 2019)

Some were already seeing the impact on their clients:

"...there hasn't been a massive swathe of our clients moving over into Universal Credit, but we have seen clients who have. We have seen clients being sanctioned, and that's huge... When people are sanctioned we're housing them, but we're often clothing them and feeding them, making sure they have heat and making sure they have light as well, so it's having a huge financial impact on us as an organisation. On the individual themselves, it's having a massive financial impact. Mental ill health, it's linked to people being more stressed, being more depressed."

(Voluntary Sector Key Informant, 2019)

The impact on landlords was also highlighted:

"...if you'd speak to housing associations, already arrears have grown, the Housing Executives' arrears have grown substantially this year and... Universal Credit is not fully rolled out. The mitigation measures have not yet, are still in place for another year and they estimate that they are going to have a substantial increase in their arrears. Now that presents real difficulties as to what you do with those individuals..., already there are real barriers towards landlords taking people who are

in receipt of benefits and Universal Credit is just scaring the bejesus out of them ..."

(Voluntary Sector Key Informant, 2019)

In April 2019, a Joint Inquiry into Welfare Reform in Northern Ireland¹⁹⁴ was established by the Northern Ireland Affairs and Work and Pensions Committees. The Inquiry has received written and oral evidence from a wide range of groups, some of whom have published their written evidence. Housing Rights,¹⁹⁵ for example, in their written submission¹⁹⁶ highlight the fact that welfare reform has impacted on households across all tenures, and not just those in the social sector. It acknowledges the significant protection that the mitigation package has provided, but highlights that even in the case of the Social Sector Size Criteria not all tenants are protected and that between April 2017 and March 2019 more than 200 tenants lost their Welfare Supplementary Payment because they moved to a social dwelling without "management transfer status" where they continued to under-occupy.

In relation to a potential replacement package for mitigation, Housing Rights suggests that a revised package should not merely replicate the existing package but take account of new challenges. The disadvantages of continuing mitigation via Discretionary Housing Payments rather than Welfare Supplementary Payments, because of their discretionary nature and the need to go through an application process rather than the automatic entitlement to Welfare Supplementary Payments.

In relation to this, the submission notes a significant underspend in Discretionary Housing Payments by the Housing Executive in 2017/18.¹⁹⁷ A similar criticism is levelled at the restrictive nature of access to the Universal Credit Contingency Fund and recommends that the criteria are broadened to ensure those in need of this support receive it.

The Inquiry into Welfare Reform also posed the question as to how well Universal Credit is working in Northern Ireland. The submission from Housing Rights welcomed the continuation of direct payment to landlords, but noted administrative errors have meant that the housing element has been paid to claimants, causing confusion and arrears, while moving during an assessment period can lead to the new landlord receiving the total amount payable for the whole period. The five-week wait has compounded the arrears issue and, drawing on Housing Executive research highlights that in 2018/19 the average arrear for Housing Executive tenants on Universal Credit was approximately £700 compared to less than £200 for those on Housing Benefit.¹⁹⁸

The submission to the Inquiry by the Cliff Edge Coalition¹⁹⁹ highlights the acute impact that the cuts to social security, and in particular the freezing of benefits, have had on women and children. Noting that, in Northern Ireland, women account for an

estimated 92% of all lone parents, it states that the mechanism for making split payments²⁰⁰ is not functioning properly, with only four Universal Credit claims being paid by means of split payments in May 2019. The Coalition submission highlights the risk that this could pose for women in a coercive or abusive relationship.²⁰¹

The Work and Pensions and Northern Ireland Affairs Committees published their joint report on "Welfare policy in Northern Ireland"²⁰² on 9 September 2019. Its recommendations reflect the evidence submitted to them by a wide range of mainly public and voluntary organisations, including Housing Rights and the Cliff Edge Coalition, as well as the testimony of a number of private individuals. From the point of view of housing and homelessness, the key recommendation to emerge was that the mitigation package should be extended for a further four years beyond March 2020 and that this would include the Social Sector Size Criteria ("Bedroom Tax") and benefit cap mitigations as well as disability-related mitigation payments and mitigation for 16-year olds transitioning from PIP to DLA. In this context the report also recommended that the DfC should consider continuing the contract for independent advisory services after 2020. Other recommendations include: making Discretionary Support Awards less restrictive (in particular, by removing a specific income ceiling);

197 Ibid., p.7, In 2017/18 the Housing Executive spent only £3.6m of its £7.226m budget for Discretionary Housing Payments.

198 Ibid., p.12.

199 The Cliff Edge Coalition NI comprises a broad spectrum of mainly voluntary sector organisations concerned about the impact of the end of welfare reform mitigation in March 2020 – a metaphorical 'cliff edge'.

200 A Split Payment refers to a situation where a household's Universal Credit award (which would normally be paid into a nominated account) is divided between 2 claimants in the household. A larger percentage may be allocated to the person with primary caring responsibilities such as child care. <https://www.gov.uk/government/publications/universal-credit-and-rented-housing--2/alternative-payment-arrangements#split-payments>

201 Cliff Edge Coalition NI (2019) *Submission to the Joint Inquiry into Welfare Policy in Northern Ireland*, Online: Cliff Edge Coalition NI. Available at: http://www.cih.org/resources/PDF/NI%20policy%20docs/2019_Response_CliffEdgeNI_JointInquiry_WelfarePolicy_May.pdf.

202 Northern Ireland Affairs Committee (2019) *Welfare policy in Northern Ireland*, Online: House of Commons. Available at: <https://www.parliament.uk/business/committees/committees-a-z/commons-select/northern-ireland-affairs-committee/inquiries/parliament-2017/welfare-policy-in-northern-ireland-inquiry-17-19/>.

194 Northern Ireland Affairs Committee (2019) *Welfare policy in Northern Ireland*, Online: House of Commons. Available at: <https://www.parliament.uk/business/committees/committees-a-z/commons-select/northern-ireland-affairs-committee/inquiries/parliament-2017/welfare-policy-in-northern-ireland-inquiry-17-19/>.

195 Housing Rights is a voluntary organisation whose core services are funded by the Department for Communities. Housing Rights provides help and support to members of the public and housing and advice professionals to "improve lives by tackling homelessness and housing problems in Northern Ireland" <https://www.housingrights.org.uk/housing-rights>

196 Housing Rights (2019) *Written evidence from Housing Rights to the Joint Inquiry into Northern Ireland's welfare policy*, Online: Housing Rights. Available at: <https://www.housingrights.org.uk/sites/default/files/policydocs/HousingRights-evidence-joint-inquiry-northern-ireland-welfare-policy.pdf>.

that the Secretary of State for Northern Ireland should make a statement to Parliament as soon as possible stating the Government's intention to pass legislation to extend the mitigation package in a Northern Ireland Budget Act; undertaking an evaluation of split Universal Credit payments in Scotland to assess an appropriate model for Northern Ireland; halting the implementation of the UK-wide two-child limit on Universal Credit in Northern Ireland and reimbursing families already affected by this restriction. A Government response to these recommendations is awaited.

Local Housing Allowance

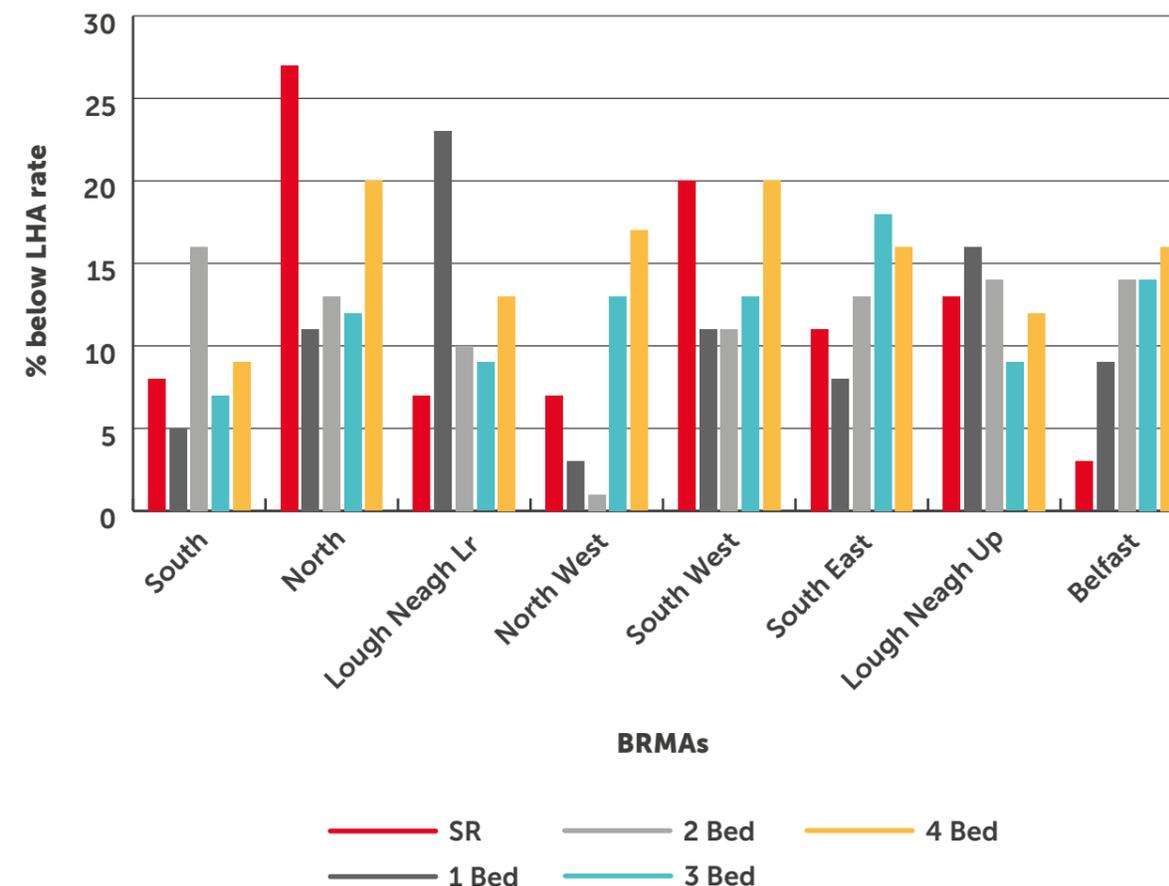
Changes to the Local Housing Allowance (LHA) scheme are in a different category to the aspects of welfare reform discussed above in that they were introduced in Northern Ireland in tandem and on the basis of the same criteria as those in the rest of the UK. Thus, from April 2011, this included the calculation of LHA rates on the basis of the 30th percentile of rents for each of the 8 Broad Rental Market Area (BRMA) instead of the 50th percentile (median) and the abolition of higher rates for homes with more than four bedrooms. From January 2012 the Shared Accommodation Rate for young single people which had previously only applied to claimants under the age of 25 was extended to include those aged 25-34. For 2013/14 and 2014/15 LHA rates were uprated in line with Consumer Price Index where the LHA rate was lower than the BRMA the 30th percentile. During the following two years LHA rates were

increased by only 1 % and since then have been effectively frozen.²⁰³

The 2016 Homelessness Monitor already provided a clear indication of the disparity between LHA rates and actual market rents based on comparisons of BRMA LHA rates with estimates of rental levels for individual District Councils during the second half of 2015. The Housing Executive also published data based on detailed interviews with 144 private tenants identified during the 2016 House Condition Survey. Eighty-five (59%) of these tenants were in receipt of Housing Benefit and for 69 (81%) of those in receipt of Housing Benefit the amount received did not cover their actual rent. Indeed, in 33 of these cases the shortfall was more than £20 per week.²⁰⁴ More recent research commissioned by the Housing Executive noted that in almost all BRMAs, "LHA rates are no longer aligned with their corresponding 30th percentile rents" and that 25 out of the overall total of 40 LHA rates "are now £5 or more below their 30th percentile rents".²⁰⁵

Since then, however, a much more detailed analysis has been undertaken by Housing Rights, using a combination of data provided by the Housing Executive on new private lettings over a ten-year period and qualitative data collected by Housing Rights as part of their ongoing operational advice and support work.²⁰⁶ The research paints a stark picture of the negative impacts of the reduction in LHA support on tenants

Figure 3.2 Percentage of Properties Below LHA Rate by BRMA and Property Type



Source: NIHE (2019) *Current LHA Rent Levels* <https://www.nihe.gov.uk/Housing-Help/Local-Housing-Allowance/Current-LHA-rent-levels>

in the private sector, an impact that the report indicates will accentuate the difficulties for homeless people trying to access or sustain tenancies in the private rented sector.

Key findings emerging from this report for 2018 include the following:

- The average proportion of properties available to let at or below the LHA rate was 12% (based on an analysis of the 40 LHA bandings) - significantly below the 30th percentile.
- In only 5 out of 40 bandings are 20 % or more of the properties available at or below the LHA rate and, in approximately a third of cases, less

than 10 % are available at or below the LHA rate (Figure 3.2).

- The potential average shortfall between LHA and actual rent by BRMA varies from £45 per month to £134 per month.
- The proportion of smaller properties (one- and two-bedroom properties and single room accommodation) available at or below LHA rate was disproportionately small in most BRMA areas. Analysis by postcode, for example, showed that in a high demand area such as West Belfast there were no one-bedroom or single room properties available at the LHA rate, something that is

203 McCauley, M. (2019) *Falling Behind: Exploring the Gap Between Local Housing Allowance and the Availability of Affordable Private Rented Accommodation in Northern Ireland*, Online: Housing Rights. Available at: <https://www.housingrights.org.uk/sites/default/files/policydocs/Falling%20Behind%20LHA%20full%20research%20Oct%202019.pdf>.

204 NIHE (2018) *Private Tenants Survey 2016 - Tabular Results*, Belfast/Online: Northern Ireland Housing Executive., Available at: <https://www.nihe.gov.uk/Documents/Research/Private-tenants-survey/private-tenants-survey-2016-tabular-results.aspx>. Table 75

205 Economic Research and Evaluation (2019) *Northern Ireland Broad Rental Market Areas Scoping Study and Impact Assessment*, Belfast: Research Unit, Northern Ireland Housing Executive Available at: [https://www.nihe.gov.uk/Documents/Research/Welfare-reform-BRMA/northern-ireland-broad-rental-market-areas-sco-\(1\).aspx](https://www.nihe.gov.uk/Documents/Research/Welfare-reform-BRMA/northern-ireland-broad-rental-market-areas-sco-(1).aspx). p.ii

206 McCauley, M. (2019) *Falling Behind: Exploring the Gap Between Local Housing Allowance and the Availability of Affordable Private Rented Accommodation in Northern Ireland*, Online: Housing Rights. Available at: <https://www.housingrights.org.uk/sites/default/files/policydocs/Falling%20Behind%20LHA%20full%20research%20Oct%202019.pdf>.

particularly detrimental to homeless households, who tend to be single people or small families.

More qualitative evidence from Housing Rights' Case Recording System paints a picture of an increasing number of private tenants who, since 2011, have been seeking advice and support on the basis that they are finding it increasingly difficult to meet the difference between the LHA they receive and the rent being charged by landlords. Housing Rights' caseload increased from approximate 100 cases to over 800 per annum over 5-year period, with specific problems arising due to rising rents, work-related issues, growing arrears, difficulty accessing other accommodation and age-related issues (younger people unable to find affordable shared accommodation and older clients having to move out of the family home). Discretionary Housing Payment was a particularly common theme for failing to cover the gap.

The research concludes that because low income households in receipt of Housing Benefit in the private rented sector are being "squeezed between rising rents and reducing LHA rates, they are increasingly falling behind with rent payments and finding themselves in a position where sustaining tenancies is becoming increasingly difficult".²⁰⁷

3.5 Key points

- Housing, homelessness and welfare policy development in Northern Ireland has been severely hampered since January 2017 following the collapse of the Northern Ireland Assembly.
- While the content of the Homelessness Strategy for Northern 2017-2022 commands general consensus, especially its upfront focus on prevention, there remain concerns amongst

our key informants with regard to implementation, especially in light of the suspension of Stormont, uncertainties around Brexit, and an ongoing shortage of social housing.

- The DfC-led Inter-departmental Action Plan, intended to complement the NIHE Homelessness Strategy with a focus on "non-accommodation" elements, was generally welcomed, especially with regards to the enhanced engagement of health services. However, some of the actions around education, for example, were felt to be somewhat misdirected, and the need for a more action-orientated agenda going forward has been conceded by the Department.
- The roll-out of Housing Solutions and Support across Northern Ireland was generally welcomed, with the associated enhanced data capture also felt to be an encouraging development. Nonetheless, there seems to be an appetite for strengthened legislation on homelessness prevention in Northern Ireland.
- The shift from a "rough sleeping" to a "Chronic Homelessness Action Plan" under the auspices of the NIHE Homelessness Strategy received an enthusiastic reception, and so too the focus on Housing First-type interventions to provide permanent housing solutions for this group. That said, as elsewhere in the UK, there was some scepticism about how true to the Housing First model some relevant developments in Northern Ireland actually were.
- The SP budget has been protected but frozen in Northern Ireland for a number of years, meaning that there has been a year-on-year reduction in value, putting pressure on some voluntary sector providers. But the continuation of its ring-fenced status

is viewed as an important victory for the sector, and the move away from a focus on accommodation-based models to more floating support provision, the new strategic commissioning approach seemed, at least initially, to be broadly accepted.

- Attempts to increase the supply of social and affordable housing have been hampered by the absence of an agreed policy on Developer Contributions. It remains to be seen to what extent Developer Contribution proposals contained in draft Local Development Plans will be approved, and if approved, be implemented effectively.
- A temporary "derogation" that postpones both the ONS decision to reclassify Northern Ireland's housing associations as public bodies and the severe budgetary implications of this is due to end in March 2020. An ONS decision to reverse this reclassification decision is dependent on Ministerial approval to ending of the Statutory House Sales Scheme.
- Policy proposals to improve security of tenure and address quality standards in the private rented sector are likewise on hold pending the return of the Northern Ireland Assembly and a Minister for Communities. Attempts to make some significant amendments to the historically sensitive allocations policy for social housing have ground to a halt for the same reason.
- There is an ongoing shortfall in funding for the Housing Executive. It is estimated that an additional £1bn is required over a ten-year period to undertake necessary repairs and improvements to the stock, without which there is the danger that a proportion of the stock will have to be "decommissioned" for health and safety reasons.
- The Welfare Reform "mitigation" package introduced in stages in 2016 and 2017 has succeeded in protecting many low-income households from significant reductions in their benefits. However, this protection is due to come to an end in March 2020.
- The ending of protection for 34,000 tenants in the social sector poses a considerable risk that it will lead to rising arrears and ultimately to higher levels of homelessness, particularly in view of the mismatch between the social housing stock and bedroom requirements of smaller households as determined by the Social Sector Size Criteria. The option of using Discretionary Housing Payments is by no means an ideal way of addressing this issue.
- Unlike tenants in the social sector, there has been no mitigation package to protect private sector tenants against the impact of the growing gap between LHA and private rents. Recent research by Housing Rights provides a disaggregated analysis of the situation that shows in only 5 out of the 40 BRMA-property type combinations are 20% or more of the properties available to let at below the LHA rate, a rate which should reflect the 30th percentile.

Homelessness trends

4. Homelessness incidence and trends

4.1 Introduction

This chapter investigates the nature, scale and trajectory of homelessness in Northern Ireland, drawing mainly on statutory homelessness statistics as published by the DfC and the Northern Ireland Housing Executive (NIHE) and on the ONS Labour Force Survey (LFS). In addition, in the first substantive part of the chapter, recently collected information on rough sleeping is reviewed.

Our statistical analysis in Sections 4.2 and 4.3 is restricted by the relative paucity of officially published data on homelessness in Northern Ireland. Unlike in England and Wales, for example, rough sleeping data for Northern Ireland have been historically sparse. Similarly, in contrast to England, Wales and Scotland, Northern Ireland's statutory homelessness statistics are somewhat more limited in their extent. For example, there are as yet no official statistics on homelessness prevention activity in Northern Ireland. That said,

the new DfC Homelessness Bulletin series – launched 2018 – significantly expands the scope of published official data and should enable a broader range of trend analyses in the future.

4.2 Rough sleeping

Media monitoring would suggest that there has been a perceived rise in rough sleeping in Northern Ireland over the past few years. This perception is partly related to an observed increase in “street activity” including street begging and street drinking.²⁰⁸ However, NIHE's 2016 Street Needs Audit²⁰⁹ distinguished between an “*entrenched rough sleeper group who require case management from a housing perspective*”, and “*a larger group engaged primarily in begging and to a lesser extent street drinking activities*”. In other words, while overlapping, those involved in “street activities” and those experiencing rough sleeping are not identical groups. Moreover, the latter is a smaller cohort than the former,

albeit that evidence from across the UK would strongly indicate that those engaged in these other “street activities” are highly likely to have experienced homelessness and rough sleeping in the past, even if presently housed.²¹⁰

Given the lack of any historical series it is difficult to judge whether rough sleeping in Northern Ireland is, in fact, changing in scale in any sustained way. Drawing on street count data for Belfast, Derry/Londonderry and Newry, as well as estimates for other areas, NIHE put the November 2018 number of rough sleepers across the jurisdiction at 38.²¹¹ Of these, 16 were in Belfast – up from only five a year earlier. To contextualise these statistics, it is also relevant to note that Belfast's two crisis accommodation hostels have a combined capacity of 25, with occupancy statistics showing that these tend to be heavily occupied. For example, utilisation rates in 2015/16 were running at 96%.²¹² One key informant acknowledged the increase in rough sleeping Belfast, while also seeking to put it in perspective:

“While 16 is up from five last year... that's a 300 per cent increase if you look at it that way. We're not complacent and we're just trying to look at how we create the pathways, working with the organisations that we commission to work outside that.”
(Statutory Sector Key Informant, 2019)

Notably, the vast majority of enumerated rough sleepers in Northern Ireland in November 2018 were in Belfast and Derry/Londonderry (29 of 38 persons logged). In almost all of the areas where reliance was placed on estimates rather than counts, it was judged (by local partners including the Police Service of Northern Ireland) that rough sleepers were entirely absent on the count night (28 November 2018).

As acknowledged by NIHE, it is important to recognise that “point in time” or “snapshot” rough sleeper estimates will understate the true scale of rough sleeping in terms of the number experiencing street homelessness over any given period (e.g. a month). Enumerated rough sleeping in Northern Ireland nevertheless remains relatively small in scale compared with other parts of the UK and with the Republic of Ireland. While the latest estimate of rough sleeping in England (November 2018) totalled 4,677,²¹³ a contemporary (late 2018) point in time estimate put rough sleeping in Dublin at 156.²¹⁴

In Northern Ireland, as elsewhere in the UK, there are independent sources of evidence which suggest that the overall scale of rough sleeping is, in fact, substantially greater than indicated by official street counts. In 2012 the ESRC-funded UK-wide Poverty and Social Exclusion (Survey) included an enhanced sample in Northern Ireland, and posed retrospective questions on homelessness experiences including rough sleeping. Applying reasonable

208 NIAO (2017) *Homelessness in Northern Ireland*, Belfast: Northern Ireland Audit Office. Available at: https://www.niauditoffice.gov.uk/sites/niao/files/media-files/Homelessness%20in%20Northern%20Ireland%20Full%20Report_0.pdf.

209 NIHE (2016) *Belfast Street Needs Audit: Final Report*, Belfast: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/getmedia/cdb122d0-6cf1-4c2d-a302-7989121ca710/belfast-street-needs-audit-full-report.pdf.aspx?ext=.pdf>.

210 Fitzpatrick, S., Bramley, G. and Johnsen, S. (2013) ‘Pathways into multiple exclusion homelessness in seven UK cities’, *Urban Studies*, 50(1), pp. 148–168.

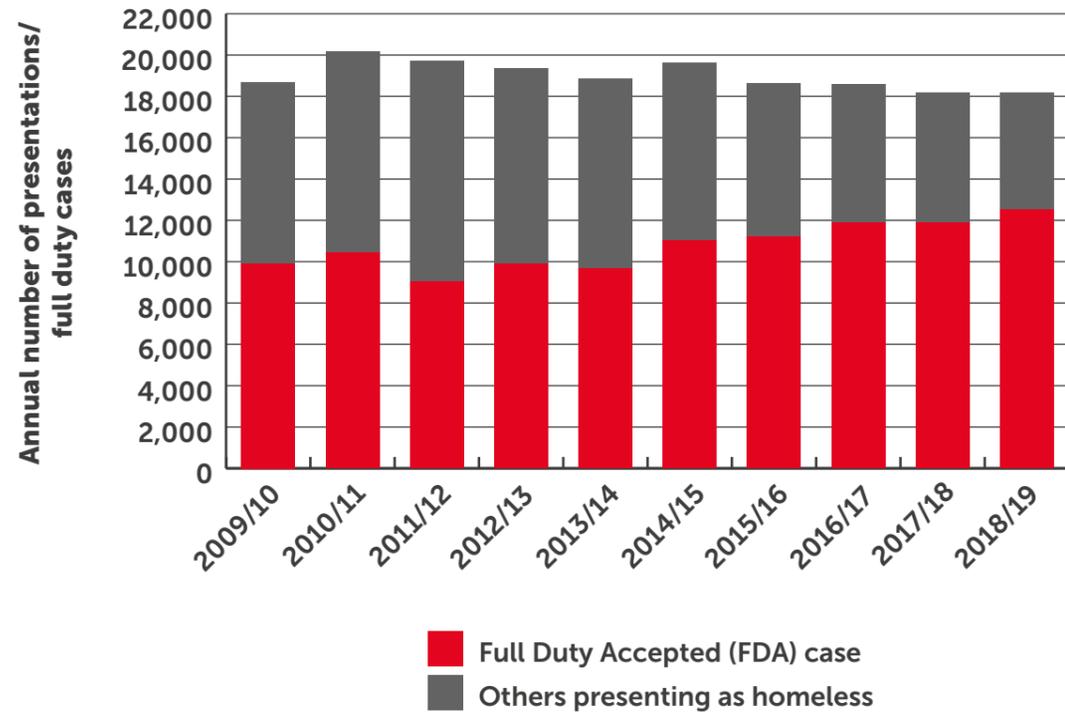
211 NIHE (2019) *Tackling Rough Sleeping in Northern Ireland: Key facts and figures*, Online: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/getmedia/665fcdd6-146e-4389-8a3b-c3d5c8403f23/Tackling-rough-sleeping-in-NI-key-facts-figures.pdf.aspx>.

212 NIAO (2017) *Homelessness in Northern Ireland*, Belfast: Northern Ireland Audit Office. Available at: https://www.niauditoffice.gov.uk/sites/niao/files/media-files/Homelessness%20in%20Northern%20Ireland%20Full%20Report_0.pdf.

213 MHCLG (2019) *Rough sleeping in England: Autumn 2018*, Online: Ministry of Housing, Communities & Local Government. Available at: <https://www.gov.uk/government/statistics/rough-sleeping-in-england-autumn-2018>.

214 McGreevy, R. (2018) ‘Number of rough sleepers in Dublin rises 46 to 156 since spring’, *The Irish Times*, Mon Dec 3 2018. Available at: <https://www.irishtimes.com/news/ireland/irish-news/number-of-rough-sleepers-in-dublin-rises-46-to-156-since-spring-1.3718929?mode=amp>.

Figure 4.1 Northern Ireland statutory homelessness presentations 2009/10-2018/19



Source: Northern Ireland Housing Bulletin, Jan-Mar 2019 (Tables 2.1 and 2.3); Northern Ireland Housing Statistics 2017/18 (Tables 3.8 and 3.11)

and evidenced assumptions about durations of rough sleeping (nights per year) we can infer from the survey results that the typical nightly number of rough sleepers in Northern Ireland was at that time around 250. Relative to working age population, Northern Ireland rates were similar to those in Scotland, where the estimates can be triangulated against other sources. More recent evidence comes from the JRF Destitution in the UK study in 2017,²¹⁵ which collected data from users of a range services providing emergency aid and assistance to people at risk of destitution, including homelessness, with Belfast one of sixteen case study areas. The “grossed up” snapshot estimate of rough sleeping in Northern Ireland from this source is also 250. It should be

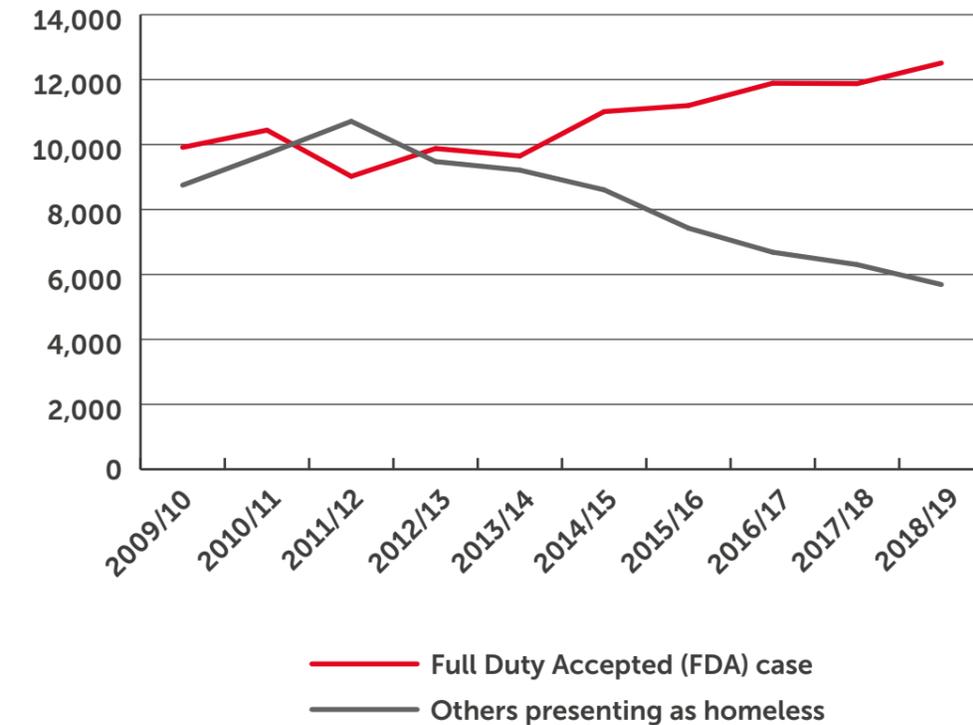
emphasized that the Destitution study estimate has a substantial confidence interval around it. Nevertheless, these two independent sources of evidence, suggest that the true level of rough sleeping in Northern Ireland is significantly higher than the number produced from the above count/estimate methods.

4.3 Incidence of statutory homelessness

In 2018/19 some 18,200 households were logged as homelessness presentations in Northern Ireland. Of these, more than two thirds – 12,500 – were judged as “Full Duty Applicant” (FDA) cases (equivalent to “acceptance as unintentionally homeless and in priority need” as this term is used in England and Wales). As shown

215 Fitzpatrick, S., Bramley, G., Sosenko, F., Blenkinsopp, J., Wood, J., Johnsen, S., Littlewood, M. and Watts, B. (2018) *Destitution in the UK 2018: Final Report*, York: Joseph Rowntree Foundation. Available at: <https://www.jrf.org.uk/report/destitution-uk-2018>.

Figure 4.2 Northern Ireland statutory homelessness applications 2009/10-2018/19: breakdown by case assessment outcome



Source: Northern Ireland Housing Bulletin, Jan-Mar 2019 (Tables 2.1 and 2.3); Northern Ireland Housing Statistics 2017/18 (Tables 3.8 and 3.11)

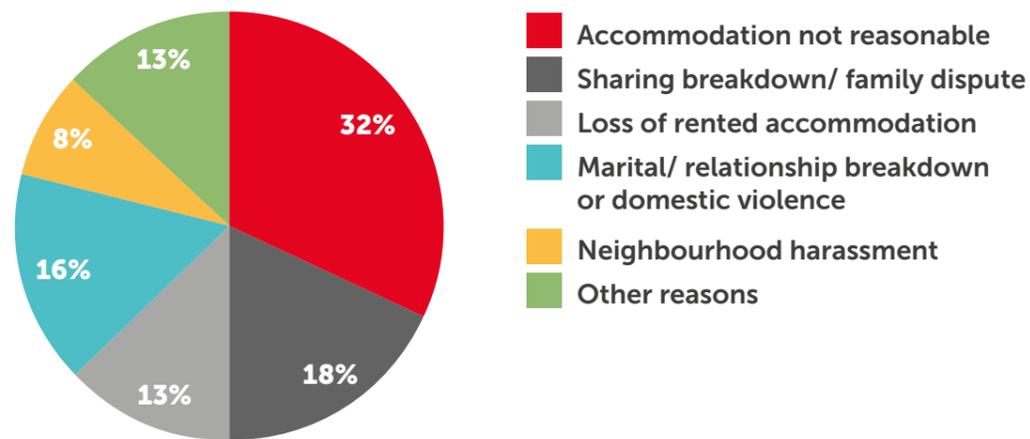
in Figure 4.1, the total number of homelessness presentations has been virtually static over the past few years. At the same time, FDA cases have been steadily rising. Thus, the latter have increased by 26% since 2009/10, whereas total logged presentations in 2018/19 were 2% lower than in the 2009/10 base year. Logged presentations that result in FDA outcomes have become increasingly common. In 2009/10 FDA outcomes equated to 53% of presentations; by 2018/19 this had risen to 69%.

Especially given the relatively consistent year-on-year trend, it would seem that the gradually expanding FDA cohort indicates rising underlying homelessness demand driven by housing market and/or socio-economic factors, perhaps reflecting some of the housing supply and

welfare reform concerns discussed in Chapters 2 and 3.

Meanwhile, as emphasized in Figure 4.2, other officially recorded applications (those not resulting in a “full duty accepted” decision) have fallen back sharply in recent times. Thus, while non-FDA cases represented 47% of all enumerated presentations in 2009/10, that had fallen to 31% by 2018/19.

Superficially, this might reflect a reduction in the underlying incidence of “non-statutory homelessness”. Perhaps a more likely explanation is that administrative practices have changed such that some of those seeking assistance with housing problems – and who might, in earlier times, have been recorded as a “presentation” – are now being

Figure 4.3 FDA cases 2018/19: Breakdown by reason for application

Source: Northern Ireland Housing Bulletin Jan-Mar 2019 (Table 2.3).

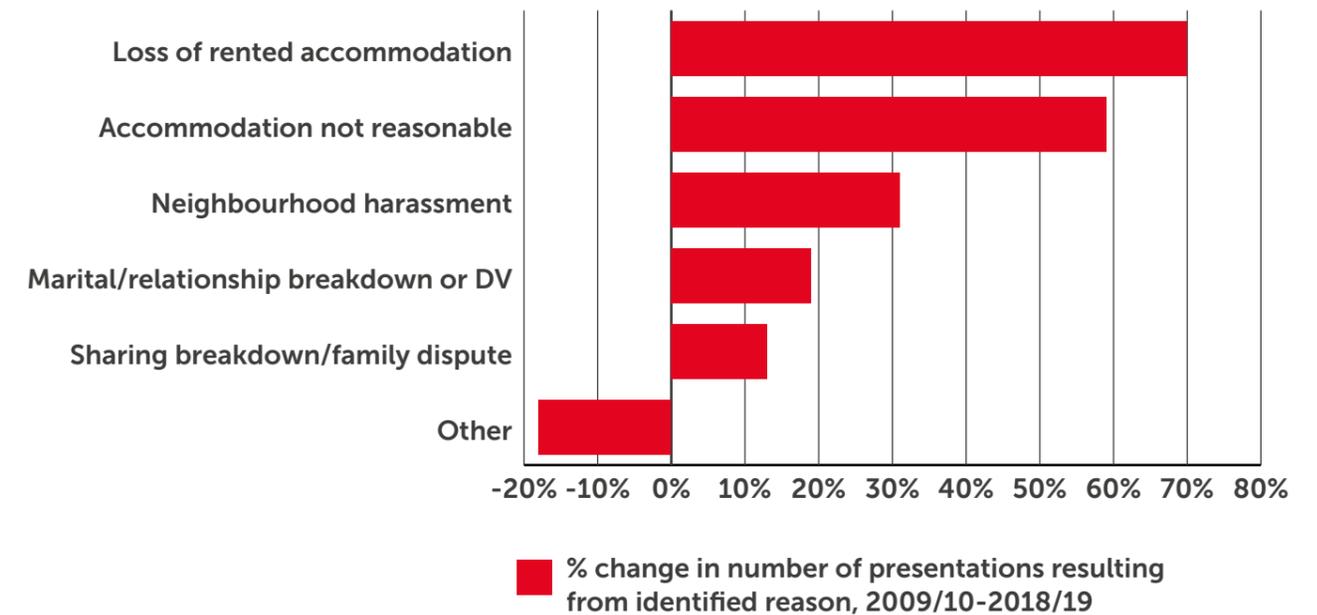
assisted informally and therefore remaining un-counted within these statistics. This latter phenomenon has been an important factor influencing the recorded statutory homelessness statistics for England over the past decade and was directly associated with implementation of the "Housing Options" model of homelessness prevention. A similar approach has been latterly introduced in Northern Ireland via Housing Solutions and Support teams set up "to assist any household that is homeless or that approaches the Housing Executive or other partner agency with a housing problem",²¹⁶ albeit that the full roll out of this approach is a very recent development and so cannot wholly account for the trends in Figure 4.1 (see Chapter 3).

Proportionate to total population, statutory homeless numbers in Northern Ireland have historically run at much higher rates in Northern Ireland than in England and Wales and

somewhat higher than in Scotland.²¹⁷ In part, this reflects the fact that, while GB-wide acceptances fell substantially in the mid-2000s (especially in England), as a result of the introduction of Housing Options, they remained largely stable in Northern Ireland. However, beyond the administrative handling of homelessness applications (e.g. under a "prevention-focused approach"), another contributory factor is the statistical treatment of certain categories of applicant, as discussed below.

Statutory homelessness causes

As shown in Figure 4.3, the largest single "reason for homelessness" category among 2018/19 FDA cases (at 32%) was "accommodation not reasonable" (ANR). The classification used here is unique to Northern Ireland. NIHE reports that this may involve issues of "affordability, property unfitness levels, unsuitability for the needs of the household, severe overcrowding etc".²¹⁸ A more specific

Figure 4.4 FDA cases 2009/10 and 2018/19: % change in number resulting from specific "reasons for homelessness"

Source: Northern Ireland Housing Bulletin, Jan-Mar 2019 (Table 2.3); Northern Ireland Housing Statistics 2017/18 (Table 3.11)

breakdown of the ANR cohort is presented in Figure 4.5.

Trend over time analysis of recent years also highlights a large increase in FDA cases where the reason for homelessness was coded ANR. Between 2009/10 and 2018/19 this cohort grew from 2,490 to 3,674 – a rise of 59% (see Figure 4.4). However, while still accounting for only a relatively modest proportion of total FDA cases in 2018/19 (see Figure 4.3), "loss of rental housing" was the category that exhibited the largest proportionate growth over this period – up by 70% (from 991 cases to 1,681 cases) – see Figure 4.4. This will include people exiting from both social and private rental housing, irrespective of how the tenancy was ended (that is, whether initiated by the tenant or the landlord). It would be expected that the majority of such cases will involve private tenancies coming

to an end without any legal action. Moreover, the large increase in the incidence of homelessness resulting from "loss of rented accommodation" also, most probably, involves this sub-cohort. Possible causes will include an increasingly competitive private rental market that may be pricing out lower income tenants, as well as the inability of some to keep up with rent payments in the face of benefit restrictions.

The "neighbourhood harassment" cohort is another category that – while recently fast expanding – involves only relatively small numbers.

Given the significant proportion of presentations attributable to "accommodation not reasonable" (Figure 4.3) and, especially, the substantial increase in the significance of this cohort in recent years (Figure 4.4), a breakdown of this category is presented in Figure 4.5.²¹⁹ More than

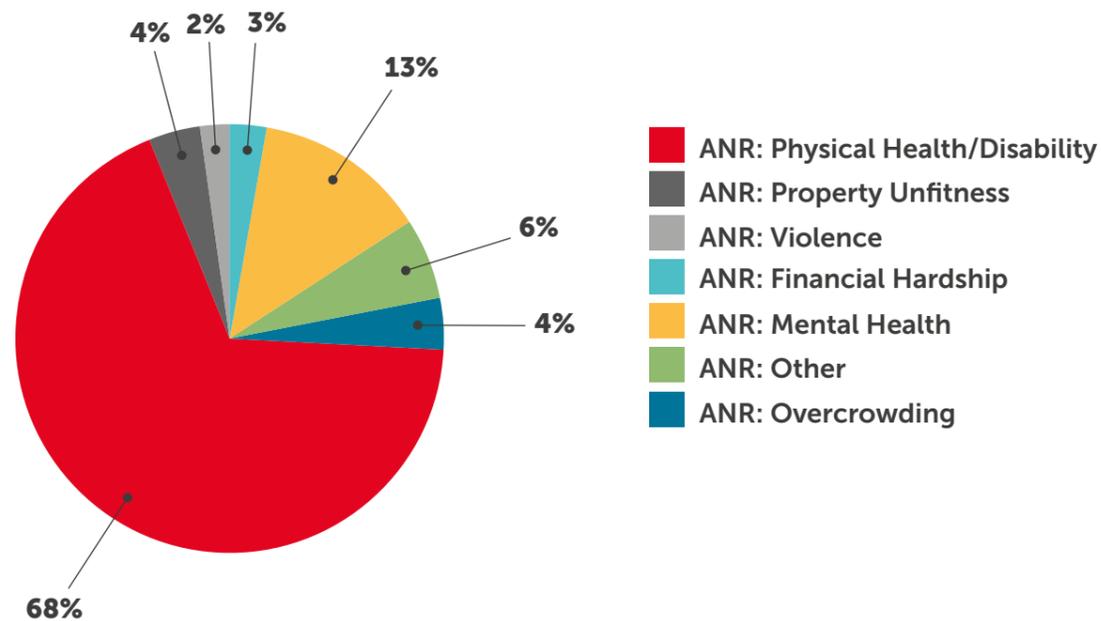
²¹⁹ It is acknowledged that the time period covered in this analysis differs from Figures 4.3 and 4.4. This results from the fact that the breakdown of 'ANR' cases has been made available for Q1-Q2 2018/19 for the first time.

²¹⁶ NIHE (2017) *Homelessness Strategy for Northern Ireland 2017-2022: Ending Homelessness Together*, Belfast: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Homelessness/homelessness-strategy-northern-ireland-2017-2022.aspx?ext=>.

²¹⁷ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. and Watts, B. (2016) *The Homelessness Monitor: Northern Ireland 2016*, London: Crisis.

²¹⁸ NIHE (2017) *Homelessness Strategy for Northern Ireland 2017-2022: Ending Homelessness Together*, Belfast: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Homelessness/homelessness-strategy-northern-ireland-2017-2022.aspx?ext=>.

Figure 4.5 FDA cases Q1-Q2 2018/19 where reason for homelessness coded as "accommodation not reasonable" (ANR)



Northern Ireland Housing Executive: NI Homelessness Bulletin Q1-Q2 2018/19 (Table 2.1A).
Note: Excludes the 275 cases that were unclassifiable.

80% of such applicants are people those classed as such for disability or health (including mental health) reasons.

As to why the ANR cohort has expanded so rapidly over the past 10 years, NIHE concludes that "an aging population and instances of complex needs such as disability, mental health problems and addictions etc. are factors in the increasing numbers for FDA".²²⁰ Independent research commissioned by NIHE on this issue was due for completion at the time of writing.

Another perspective on this is that NIHE has made an administrative choice to process rehousing

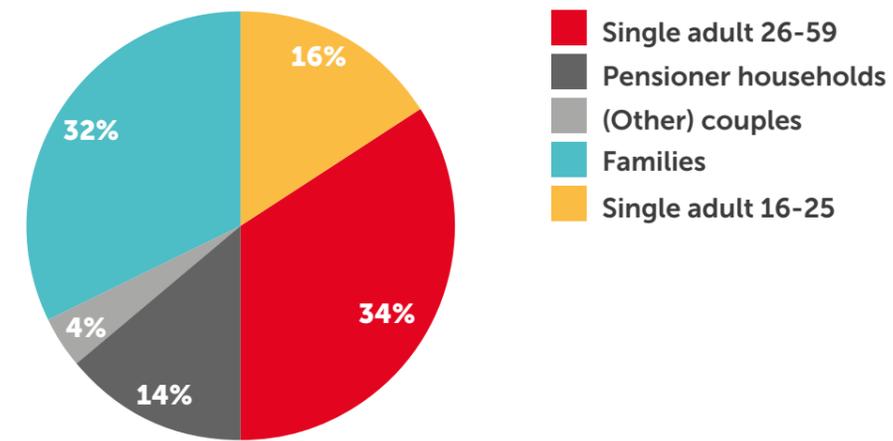
applications of people affected by ill health and occupying unsuitable housing via the homelessness legislation rather than through the "normal" allocations system (i.e. as waiting list applicants). This significantly contributes to the historically high recorded incidence of statutory homelessness in Northern Ireland as compared with other UK jurisdictions.²²¹ It also helps to explain the strikingly high proportion of social housing allocations accounted for by statutory homeless cases in Northern Ireland. In 2017/18 lettings to homeless households accounted for no less than 88% of all NIHE lettings to new tenants, as compared with 39% of all social lets to new tenants in Scotland, and only 21% of all local authority lets to new tenants in England.²²² A recent

²²⁰ NIHE (2017) *Homelessness Strategy for Northern Ireland 2017-2022: Ending Homelessness Together*, Belfast: Northern Ireland Housing Executive. Available at: <https://www.nihe.gov.uk/Documents/Homelessness/homelessness-strategy-northern-ireland-2017-2022.aspx?ext=>

²²¹ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. and Watts, B. (2016) *The Homelessness Monitor: Northern Ireland 2016*, London: Crisis.

²²² Stephens, M., Perry, J., Williams, P. and Young, G. (2019) *UK Housing Review 2019*. Coventry: Chartered Institute of Housing. Tables 97b, 103 and 105

Figure 4.6 Presentations 2018/19: breakdown by household type



Source: Northern Ireland Housing Bulletin, Jan-Mar 2019 (Table 2.2). Note: Unlike preceding graphics, Figures 4.6 and 4.7 relate to all homelessness presentations – rather than being restricted to FDA cases.

increase in the figure for Northern Ireland (e.g. from 76% in 2014/15) has further accentuated a long-established contrast between Northern Ireland and other UK jurisdictions in this respect.

Statutory homelessness profile

Single adults of working age accounted for exactly half of all presentations in 2018/19 – see Figure 4.6. Family households made up just under a third (32%). Notably, the relatively small proportion of "pensioner households" lends no support to the idea that the substantial ANR category (see Figure 4.3) results in statutory homelessness designation as an older-person dominated route to rehousing.²²³ Nevertheless, recent years have seen a striking increase in the number of pensioner household presentations – as shown in Figure 4.7.

Analysing trends over time during the period 2009/10 – 2018/19 there are marked contrasts between the various household type categories shown in Figure 4.6. However, while pensioner

household applications have risen fastest in percentage terms, the growth in single adults aged 26-59 has been numerically larger over this period. Notably, this largely reflects the rising number of single female applicants in this category (up from 1,447 to 1,874, a 30% increase; as compared with a 4% increase in males – from 4,196 to 4,353). Younger single applicants, by contrast, have diminished considerably – a finding that holds true for both males and females. Not only have young adult applications declined by 30%, but the numerical reduction over the period (1,225) has outweighed the combined increase in pensioners and adults aged 26-59 (1,030).

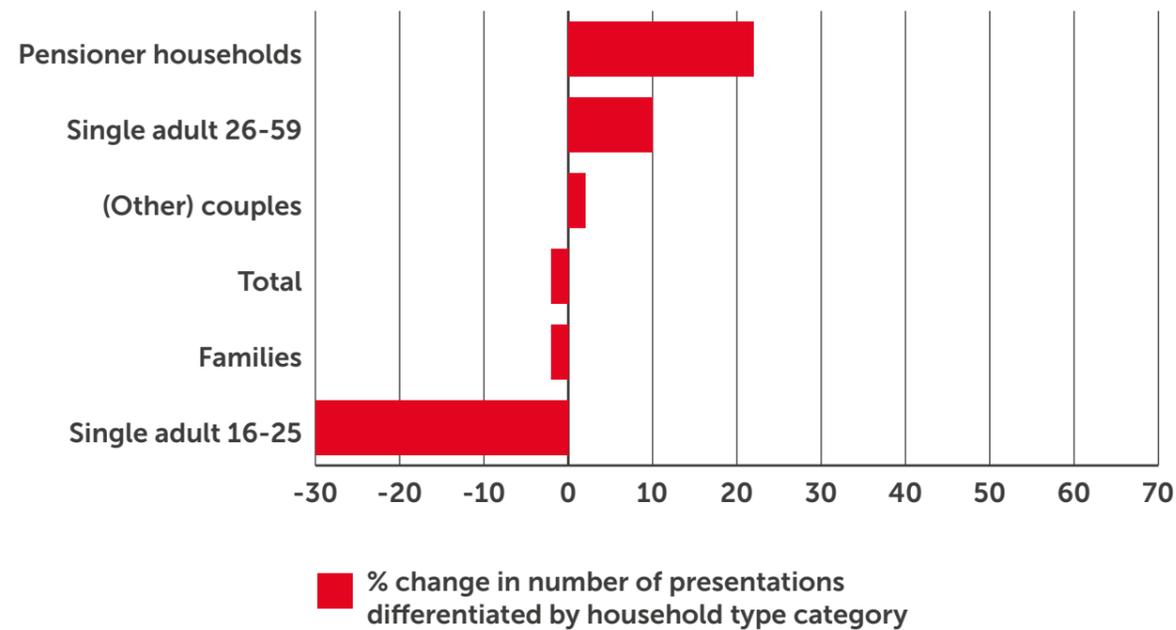
Use of temporary accommodation

The overall scale of temporary accommodation (TA) placements oscillated within a fairly narrow band over recent years – see Figure 4.8. Nevertheless, the figure for 2017/18 – the latest year for which published data is currently available – was the highest of the decade.²²⁴

²²³ Albeit that the Figures 4.3 and 4.6 relate to slightly different cohorts – FDA cases versus all presentations.

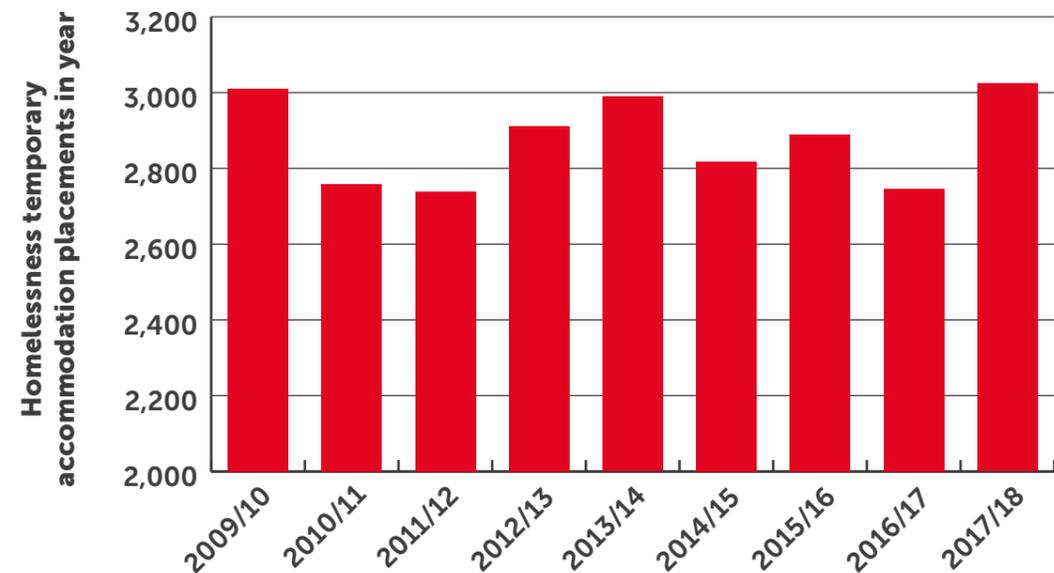
²²⁴ It should be noted that, in enumerating the throughput of placements during the cited financial years, the presentation in Figure 4.8 differs from the more conventional 'stock' measure of temporary accommodation placements in Great Britain – i.e. the number outstanding on a given date.

Figure 4.7 Presentations 2009/10 and 2018/19: % change in number of presentations differentiated by household type category



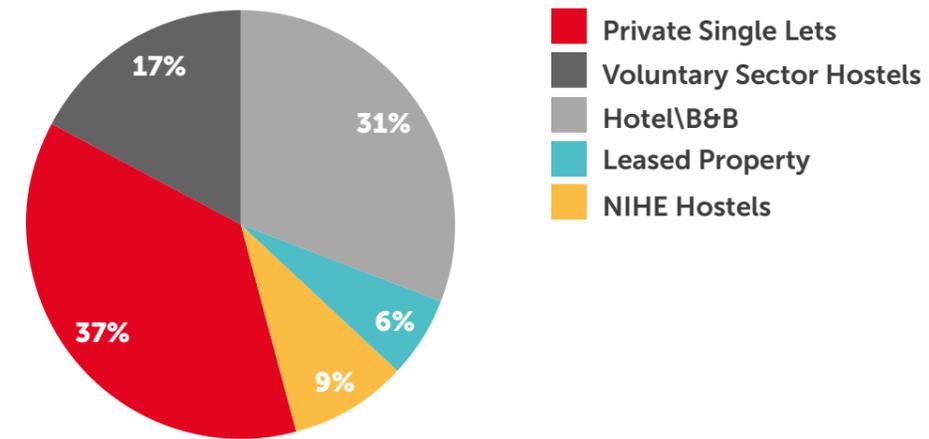
Source: Northern Ireland Housing Bulletin, Jan-Mar 2019 (Table 2.2); Northern Ireland Housing Statistics 2017/18 (Table 3.9)

Figure 4.8 Homelessness temporary accommodation placements 2009/10-2017/18



Source: Northern Ireland Housing Executive, various including: Northern Ireland Homelessness Strategy 2017-22; Annual Progress Report 2017/18

Figure 4.9 Temporary accommodation placements, flow, Apr-Sep 2018



Source: Northern Ireland Housing Executive: NI Homelessness Bulletin Q1-Q2 2018/19 (Table 3.2)

In a new statistical series NIHE reports a breakdown of TA placements over a six-month period, according to the type of housing concerned. As shown in Figure 4.9, bed and breakfast (B&B), hostels and similar forms of non-self-contained accommodation accounted for more than half of the 1,629 total placements made in the first and second quarters of financial year 2018/19.

Equally, as shown in Figure 4.10, private single lets²²⁵ account for the bulk of placements at a point in time (reflecting the fact that such placements are, on average of longer duration). Even so, of the 2,065 placements as at 10/1/2019, some 586 – more than a quarter of the total – were living in non-self-contained premises. Within this cohort, almost half (45%) had been accommodated as such for more than six months, with a quarter (26%) resident in housing of this kind for more than a year.²²⁶

Almost half of all TA placements (49% of those made in Q1-Q2 2018/19) involved single people of working age.²²⁷ However, in interpreting this statistic it is important to bear in mind the NIHE statistical footnote that states: "This table presents the overall number of placements in a given time period and does not represent distinct households. One household may have several placements in a short timeframe". Neither is there any published household type breakdown specific to particular forms of TA (e.g. differentiating self-contained from non-self-contained housing).

4.4 Hidden and wider homelessness risks

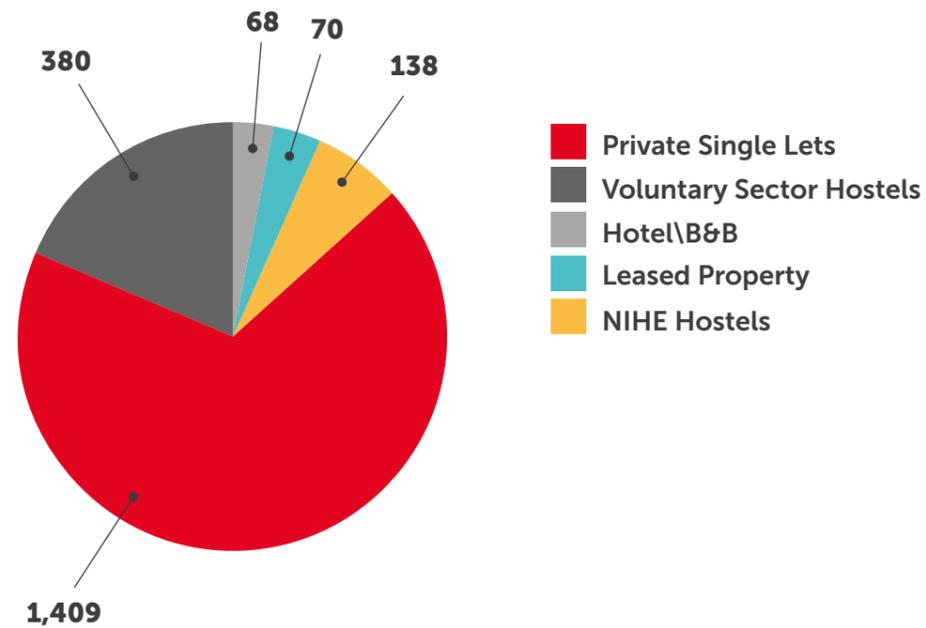
People may be in a similar housing situation to those who apply to housing authorities as homeless, that is, lacking their own secure, separate accommodation, without formally applying or registering with NIHE. Such people are sometimes referred to as "hidden homeless" (see Chapter

225 These are defined by DfC as follows: "A single let is a private dwelling which is made available on a temporary basis to a homeless household while they are waiting for permanent rehousing. These dwellings are normally in the private rented sector". <https://www.communities-ni.gov.uk/system/files/publications/communities/ni-homelessness-bulletin-apr-sep-2018.pdf>

226 NIHE (2019) Northern Ireland Homelessness Bulletin April - September 2018, Online: Department for Communities, Northern Ireland Statistics & Research Agency,

227 Ibid – Table 3.1

Figure 4.10 Temporary accommodation placements, point in time, 10/1/2019



Source: Northern Ireland Housing Executive: NI Homelessness Bulletin Q1-Q2 2018/19 (Table 3.5).
Note: labels show number of households placed in each form of TA as at the specified date.

1), although perhaps it would be more accurate to characterise some of these groups as people with unmet housing needs who are at risk of homelessness. A number of large-scale/household surveys enable us to measure some particular categories of potential hidden homelessness or wider risk of homelessness: concealed households; households who are sharing accommodation; and overcrowded households.

It is important to emphasise that not everyone living in the situations discussed in this section will actually be homeless, but these phenomena are indicative of the kinds of housing pressures that may be associated with hidden homelessness or a risk of falling into homelessness.

Concealed households

Concealed households are defined here as family units or single adults

living within other households, who may be regarded as potential separate households that may wish to form given appropriate opportunity. In some more conservative approaches to housing need assessment only family groups (lone parents, couples, or possibly cases of three-generation families) are counted as concealed households. However, the Homeless Monitor series has consistently followed a broader approach, as exemplified for example in the DfC and Local Government 2010 study "Estimating Housing Need", in recognising potential new household formation among single adults, while not claiming that all such single adults are currently seeking to live separately.

The UK-wide Labour Force Survey (LFS) asks questions about the composition of the household which enable the presence of "additional family/single units" to

Figure 4.11 Households containing concealed potential households by tenure, Northern Ireland 2016-18



Source: Average of Labour Force Survey 2018Q3 & 2019Q1 and Understanding Society 2016/17.

be identified.²²⁸ In addition we can refer to "Understanding Society" (UK Household Longitudinal Survey, UKHLS) as an alternative source. In this Northern Ireland Monitor, we combine estimates from the two surveys to increase the robustness of our findings.

In 2016-18 there were about 170,000 households (22% of all households in Northern Ireland) which contained additional family or single person units based on the combination of the two surveys. Of these, 7,900 (1.0%) were cases of couples or lone parent families living with other households, while 38,000 (4.9%) were cases of other one person units (i.e. excluding never married children

of main householder) and 120,000 (15.5%) were cases of non-dependent adult children living in the parental household, as shown in Figure 4.11.

Compared with the UK as a whole, Northern Ireland has *more* non-dependent/adult children living in parental households (15.5% vs 13.1%). A rather lower proportion of other single concealed potential households (4.9% vs 6.3%), and *fewer* concealed couple and lone parent family units (1.0% vs. 1.3%). Because the former effect outweighs the latter, Northern Ireland has slightly more potential concealed households than the UK as a whole (22.1% vs 19.6%).

²²⁸ These surveys only approximate to the ideal definition of 'concealed households', as they do not necessarily distinguish those who would currently prefer to remain living with others from those who would really prefer to live separately. Moreover, they may not fully capture all concealed households reliably. For example people staying temporarily and informally with others may not be recorded in household surveys (like EHS) nor respond to individual surveys (like LFS).

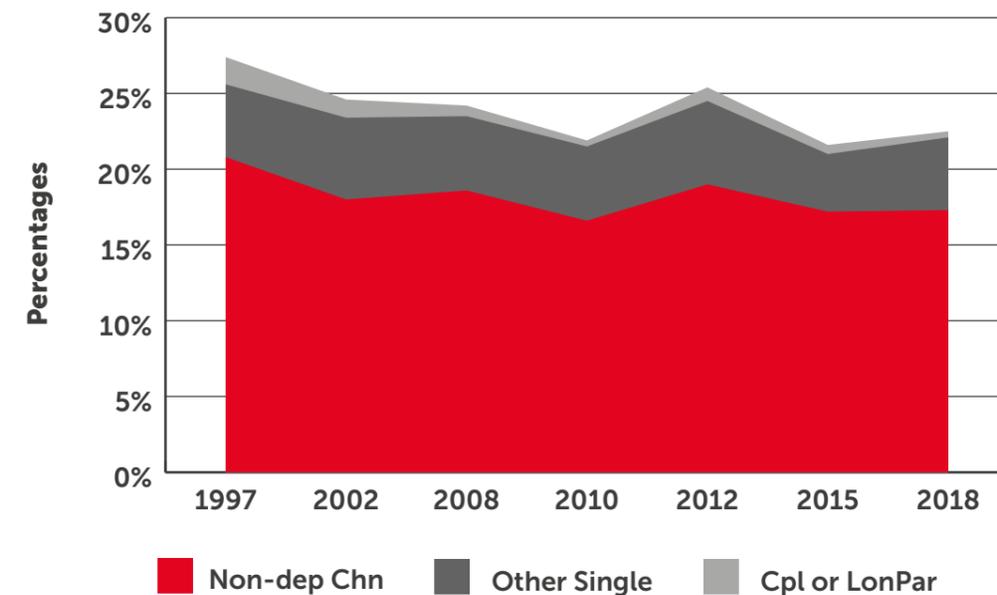
Compared with the situation two-three years earlier, as reported in the previous Northern Ireland Monitor,²²⁹ there has been a small rise of 0.9% percentage points in the total share of households containing concealed potential household units. This rise is accounted for by continued increases in the households with non-dependent children (+1.2% points) and a possible slight rise in couples/lone parents (+0.2%) but offset by falls in the shares with other singles (-1.8% points).²³⁰ These changes are similar in direction to those in the UK. The rise in the already large group of households with non-dependent children living in the parental home reflects a nationwide trend of delayed household formation, home-buying or home-making by younger adults across the UK, as a consequence of the financial crisis, the associated mortgage access difficulties and recession (as discussed in the Homeless Monitor England series and Chapter 2). However, Northern Ireland and Wales are the only regions where the share of younger adults (20-34) living with parents has not changed significantly over the longer 20-year period, and Northern Ireland is the region where this share has remained consistently highest (34% in 2019, compared with 26% across UK).

Figure 4.12 also highlights tenure differences. Concealed couple or lone parent family units are rare across all tenures. "Other single" units are still somewhat more prevalent in private renting, but no longer so common in the social rented sector. The association with private renting is more expected because this includes students and young people living in flat/house shares. The proportion of household with non-dependent children are higher in owner occupation and below average in social renting. It is possible that the patterns in social renting reflect

young people living with other adults to whom they are related, but not as direct offspring.

We can make an estimate of the number of separate households which might form from this set of potential households by applying two adjustment factors. First, we allow for the presence of multiple concealed individuals in some households, using data from UKHLS. Second, we allow for the likelihood that many of these individual potential household units do not want or expect to move in the immediate future to form a separate household. We do not have full survey data on this propensity from Northern Ireland, but results from a special question in the English Housing Survey (EHS) suggest that the proportion of the two single concealed household groups (non-dependent children and other) who really want to live separately is about 50%, over a run of years. Within UKHLS, there is a question about intention to move ("if you could choose, would you stay here in your present home, or would you prefer to move somewhere else?"), but this wording focuses on the home and location, rather than directly addressing the issue of leaving the household. This tends to indicate a lower proportion wanting to move; in about 39% of households with concealed single adults across UK, there is at least one who prefers to move. This ratio appears to be lower in Northern Ireland, at 30%. Given that there is some uncertainty about this factor, we suggest that the number of households currently concealed in Northern Ireland but preferring to live separately would lie in the range from 70,000 to 112,000 (equivalent overall to between 9% and 15% of all households in Northern Ireland), reflecting the range of estimates of proportions who would want to move. This estimate allows for the

Figure 4.12 Trends in Concealed Households in Northern Ireland, 1997-2018



Source: Labour Force Survey

likelihood some of these would form partnerships and some might still choose to share with their peer group.

Analysis presented in the previous Northern Ireland Monitor showed that concealed households in Northern Ireland were less associated with poverty than was the case for concealed households in England. It was suggested that, for some people, living together in larger family or sharing groups may be a way of fending off poverty, and this may be more prevalent in Northern Ireland.

The LFS allows trends in concealed households to be tracked back to 1997, as shown in Figure 4.12. It appears that concealed households were static or declining during the 1990s and into the early 2000s. In Northern Ireland, the incidence of concealed household appears to have risen between 2010 and 2012, perhaps as a result of the financial crisis and recession and/or welfare reforms such as the extension of the "single room rent" for under 35s claiming LHA, but then to have fallen

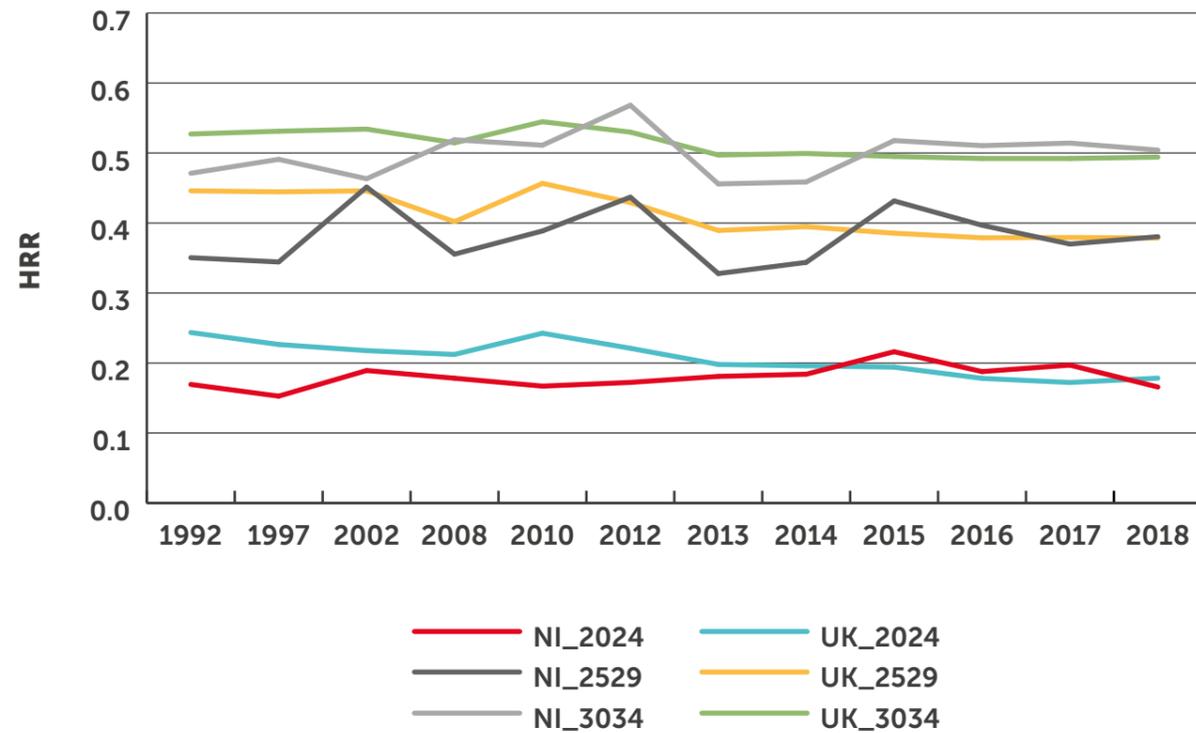
back by 2015. Although a slight rise is apparent in the most recent period (2018), this difference is not statistically significant so we would conclude that the overall level is static (although as noted earlier the composition is changing).

Another indirect indicator of concealed households is (reduced) household formation. The propensity of individuals within given age groups to form ("head") separate households is a conventional way of measuring household formation. Figure 4.13 illustrates rates for younger adults for Northern Ireland against UK. The rate for these younger adult age groups were typically lower in Northern Ireland than in the UK in the 1990s. Over this period there have been some fluctuations, particularly around 2008 and 2013, but there is clearly a general tendency for Northern Ireland to catch up and begin to exceed UK. UK rates are lower in 2015 than in 1992, whereas Northern Ireland rates are higher. This is probably indicative of both an easier general housing market

229 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. and Watts, B. (2014) *The Homelessness Monitor: Northern Ireland 2013*, London: Crisis/The Joseph Rowntree Foundation.

230 The rise in non-dependent children and the fall in other singles are statistically significant; the changes in concealed families and overall are not statistically significant.

Figure 4.13 Household Representative Rates by Selected Age Groups in Northern Ireland and UK, 1992-2018



Source: Labour Force Survey.

and economic improvement following the peace agreement; equally, the recent fluctuations could reflect the very dramatic fluctuations in the housing market in Ireland (North and South) in the late 2000s. The upward blip in 2012 may reflect the increased availability of private rental lettings (see Chapter 2).

Households sharing accommodation

“Sharing households” are those households who live together in the same dwelling but who do not share either a living room or cooking facilities. Sharing is similar to concealed households, in that it may indicate an arrangement people make when there is not enough affordable separate accommodation. For example, some “flatsharers” will be recorded as concealed households,

and some will be recorded as sharing households, depending on the room sizes and descriptions.

According to the LFS, 1.44% of households in UK shared in 2018 (based on average of first and last quarter; see Table 4.1), while the rate for Northern Ireland was markedly higher at just under 5.04%. The UK rate was a fall from the levels seen in 2015 and 2012. However, in 2015 sharing appeared to have risen markedly in Northern Ireland, to 4.4%, while also rising again to 5.0% in 2018. In all recent years, most sharers in Northern Ireland were sharing with at least four other households. Whilst this might be thought to be picking up a growth of shared student accommodation, this does not appear to be the case from this source.²³¹

²³¹ Using LFS data for 2019q1, there do not appear to be any (full time) students in the sharing groups of household heads.

Table 4.1 Sharing Measures for Northern Ireland and UK, 2012

Defn	Any Share	Any Share	Any Share	Share 4+	Share 4+	Share 4+
Year	2012	2015	2018	2012	2015	2018
N.Ireland	1.95%	4.43%	5.04%	1.48%	4.09%	3.65%
UK	1.66%	1.90%	1.44%	0.92%	1.21%	0.87%

Source: Labour Force Survey, averages of 2012q1 and q4; 2015q4 and 2016q1, and of 2018q3 and 2019q1.

Sharing has seen a long-term decline across the UK, which may reflect improving housing availability, but also probably changes in the private rented sector and its regulation. However, the indicator for sharing appears to be rather inconsistent over time for the different countries of the UK, including Northern Ireland, which suggests that definitional nuances, and how they are applied in survey fieldwork, may be an issue. In particular, the high level of sharing involving larger numbers of households, including in the social rented sector, suggests that there may be differences in the survey treatment of larger congregate forms of accommodation including supported accommodation and/or student accommodation.²³² While it appears that the evidence suggests a marked rise in sharing over the last six years in Northern Ireland, which now appears to stand at a much higher level than in the UK as a whole, considerable doubt arises as to the consistency of measurement here, in relation to congregate accommodation.

Sharing was most common for single person households (11%) and single pensioners (18%), but was also found amongst small families (2%). Sharing is concentrated in both private (9%) and social renting (12%), but is not

unknown in the owner occupier sector (3%). The high rate in social renting, mainly people sharing with four or more other households, suggests that perhaps some hostel or intermediate move-on accommodation is being classified in this way.

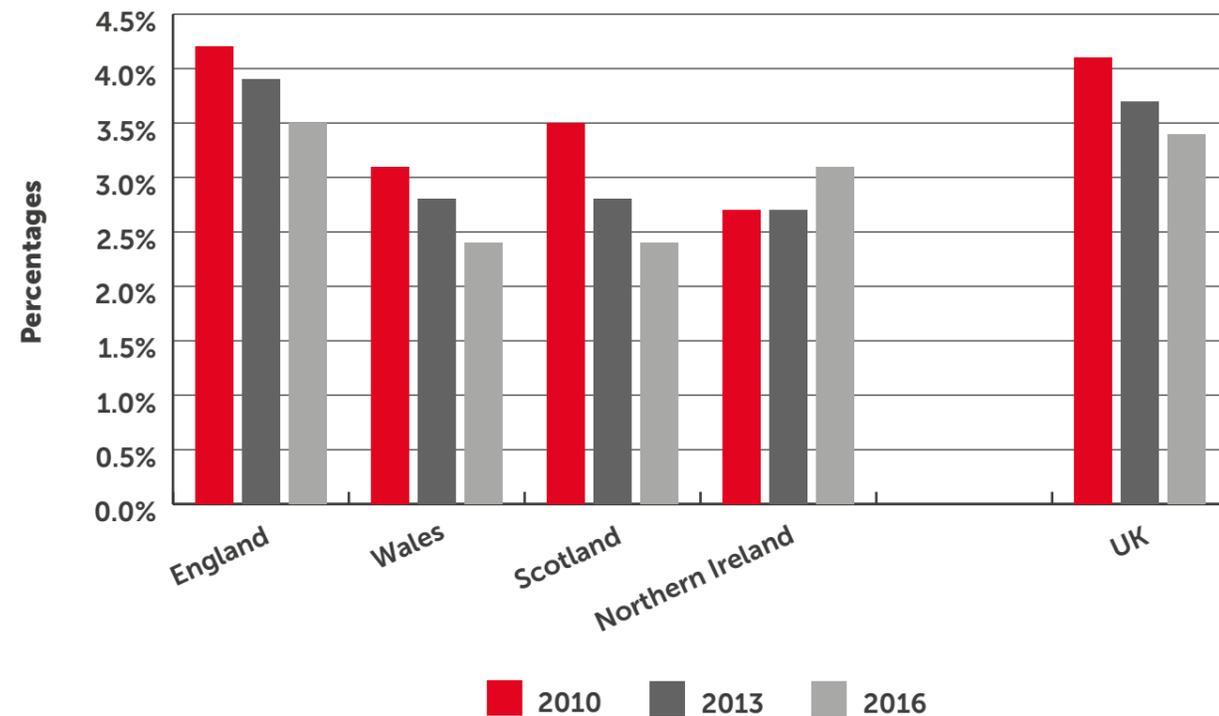
Overcrowding

Overcrowding is another form of housing need which may be considered as part of the wider phenomenon of potential hidden homelessness or homelessness risk. Overcrowding has increased somewhat in England in recent years, particularly in London.²³³ For Northern Ireland, the only available data source is UKHLS. While it is possible to estimate overcrowding from this, attempting to replicate the “bedroom standard” measure used elsewhere, there appear to be some differences in measured level of crowding from those derived from the EHS. The resulting measure is rather higher than that quoted for England based on EHS, but shows more of a downward trend.²³⁴ Nevertheless, it does allow comparison across the four UK countries, as in Figure 4.14.

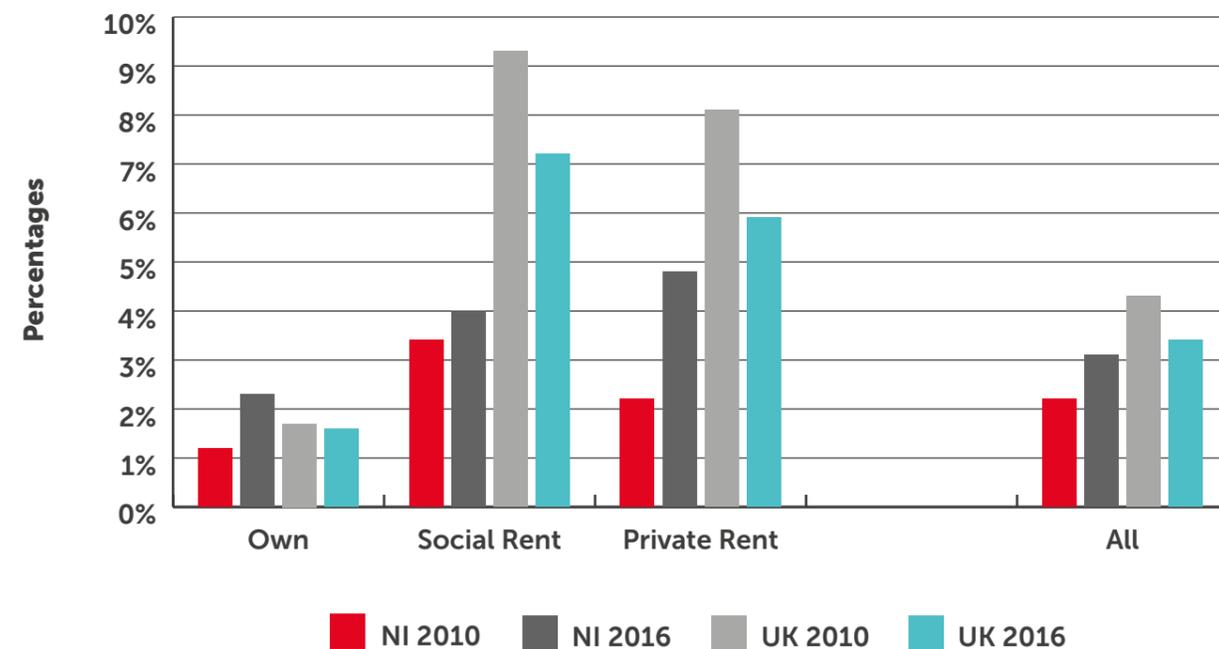
²³² Such accommodation might be classified as communal establishments, rather than private households, and thereby omitted from surveys including LFS.

²³³ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. and Watts, B. (2016) *The Homelessness Monitor: England 2016*, London: Crisis/The Joseph Rowntree Foundation.

²³⁴ Among the differences between these surveys, UKHLS is a longitudinal panel survey, and such surveys tend to suffer from progressive attrition over sample over time; this might account for the apparent downward trend in crowding shown for England, Wales and Scotland.

Figure 4.14 Household Overcrowding by UK country, 2010, 2013 and 2016

Source: Authors' analysis of *Understanding Society (UKHLS)*, Waves 2, 5 and 8.

Figure 4.15 Overcrowding by Tenure: Northern Ireland and UK 2010 and 2016

Source: Authors' analysis of UKHLS

The results indicate that crowding was less common in Northern Ireland than in the other UK countries, particularly England, in 2010. However, as rates in the other UK countries appear to have fallen, the rates in Northern Ireland were static to 2013 and then rose in 2016. The rate in Northern Ireland is now higher than in Wales or Scotland, but still lower than in England. The proportion of households with insufficient bedrooms against the standard is 3.1% in Northern Ireland, affecting about 24,000 households.

Overcrowding is more common in social renting (4.0%) and private renting (4.8%) and lower in owner occupation (2.3%) – see Figure 4.15. Private renting especially, but also social renting, and owner occupation, have all seen increases in overcrowding in Northern Ireland between 2010 and 2016. These trends appear to differ from those seen in the Rest of the UK, according to this data source (UKHLS).

In Northern Ireland, overcrowding is more prevalent for working age households without children than it is for families with children, a different situation from that in the UK as a whole where more families are affected.²³⁵ In all UK countries older households have very low rates of overcrowding. The association of overcrowding with low income found across the UK is less apparent in Northern Ireland, although there is some association with households suffering three or more material deprivations.

4.5 Key points

- Drawing on street count data for Belfast, Derry/Londonderry and Newry, as well as estimates for other areas, NIHE put the November 2018 number of rough sleepers across the jurisdiction at 38. Of these, 16 were in Belfast – up from only five a year earlier. Enumerated rough sleeping

in Northern Ireland nonetheless remains relatively small in scale compared with other parts of the UK and with the Republic of Ireland. However, independent sources of evidence suggest that the overall scale of rough sleeping may be substantially greater than indicated by these official street counts, affecting closer to 250 people on an average night.

- In 2018/19 some 18,200 households were logged as homelessness presentations in Northern Ireland, of which more than two thirds – 12,500 – were judged as “Full Duty Applicant” (FDA) cases. The total number of homelessness presentations has been virtually static over the past few years, but FDA cases have been steadily rising, increasing by 26% since 2009/10.

- The NIHE practice of processing rehousing applications of people affected by ill health and occupying unsuitable housing via the homelessness legislation rather than through the “normal” allocations system significantly contributes to the historically high recorded incidence of statutory homelessness in Northern Ireland as compared with other UK jurisdictions.

- This also helps to explain the strikingly high proportion of social housing allocations accounted for by statutory homeless cases in Northern Ireland. In 2017/18 lettings to homeless households accounted for no less than 88% of all NIHE lettings to new tenants, as compared with 39% of all social lets to new tenants in Scotland, and only 21% of all local authority lets to new tenants in England.

- The overall scale of annual TA placements has oscillated within a fairly narrow band over recent years,

235 Fitzpatrick, S., Pawson, H., Bramley, G., Wood, J., Watts, B., Stephens, M. and Blenkinsopp, J. (2019) *The Homelessness Monitor: England 2019*, London: Crisis.

nevertheless, the figure for 2017/18 was the highest of the decade, at just over 3,000.

- B&B, hostels and similar forms of non-self-contained accommodation accounted for more than half of the 1,629 total TA placements made in the first and second quarters of financial year 2018/19. While private single lets account for the bulk of placements at a point in time (reflecting the fact that such placements are, on average of longer duration), more than a quarter of households in TA as at 10/1/2019 were living in non-self-contained premises.
- The number of concealed potential households who would want or expect to live separately is estimated at between 70,000 and 112,000, 9-15% of all households in Northern Ireland. These numbers have been relatively stable since 2015, and the proportion of adult children living with parents remains higher than in the rest of the UK.
- The propensity of younger adults to head households has tended to rise, against falling trends in rest of UK, suggesting overall easier access to housing in Northern Ireland.
- Northern Ireland appears to have seen an increase in sharing, to higher levels than the rest of UK, since 2012, but the prevalence of larger sharing groups sharing in the social rented sector suggests possible inconsistencies in recording of congregate supported accommodation.
- Overcrowding in Northern Ireland appears to be static or slightly increasing, with a strong increase in private renting, leading to Northern Ireland now showing higher rates than Scotland and Wales.

Conclusions

5. Conclusions

This year's Homelessness Monitor, the last in the current series, was written at a moment of great uncertainty in Northern Ireland. Even more than the rest of the UK, Northern Ireland faces economic, social and political consequences arising from Brexit, with much depending on the success of the special arrangements envisaged. Coupled with the policy and legal stasis introduced by the collapse of the Northern Ireland Assembly in January 2017, it is perhaps remarkable that we are able to report some positive developments on homelessness since the last Monitor in 2016. In particular, the roll-out of a Housing Options style approach to homelessness prevention (Housing Solutions and Support) across the jurisdiction is testament to the ability of statutory as well as voluntary sector stakeholders to pursue progressive practice agendas, even in the face of an inability to amend legislation or make major policy changes.

Moreover, the content of the new "Northern Ireland Housing Executive Homelessness Strategy 2017-22", published in April 2017, was generally well received by our key stakeholders. Consistent with this, Northern Ireland Housing Executive reported that 90% of consultation responses on the draft Strategy endorsed its vision and objectives. Especially well received was the prioritisation of prevention and housing-led solutions in the Strategy, linked to the roll out of

Housing Solutions and Support, and also the broadening of focus from a "rough sleeping" to a "Chronic Homelessness Action Plan", brought forward by the Housing Executive as part of Year Two of the Strategy. All that said, key informants voiced similar fears as in 2016 around a potential implementation gap, exacerbated by continued pressures on a limited social housing supply, and anxieties around Brexit and the suspension of the Northern Ireland Executive.

An Inter-Departmental Action Plan 2017-18, published and led by Department for Communities, and intended to complement the Homelessness Strategy with a focus on non-accommodation components, was also welcomed by key informants in both the statutory and voluntary sectors. In particular, the establishment of a pilot Homeless Healthcare Hub in Belfast, designed to provide outreach care to those who are sleeping rough or in hostel accommodation, was viewed as an encouraging development. However, not all key informants were persuaded by the focus of all of the actions in the Plan. For example, those on education were criticised by some as not being sharply focussed enough on young people at highest risk. In the Year 2 Action Plan for 2019-2020 it was acknowledged that a more outcome-focussed approach was required going forward.

In other encouraging developments since the 2016 Homelessness Monitor, the Housing First pilot in Belfast has been expanded by the providers, DePaul, to also include Derry. This expansion of Housing First-style interventions in Northern Ireland was warmly welcomed by our key informants albeit that, in common with other parts of the UK, there was scepticism on the part of some about how well understood the principles and costs of Housing First were to key stakeholders in Northern Ireland.

Another highly significant positive in the Northern Irish context is that there have been no cuts to the Supporting People budget on anything like the scale seen in England, albeit that funding levels have been static since 2008, with no inflation-related uplift, so in real terms there have been year-on-year reductions. The continuance of the ring fence round Supporting People funding, now removed in both England and Scotland, was welcomed by voluntary sector providers.

As some key informants also pointed out, Northern Ireland has avoided the upsurge in rough sleeping seen in England, and to a lesser extent in Wales, and also in the Republic of Ireland, in recent years. However, as elsewhere in the UK, there are independent sources of evidence which suggest that the overall scale of rough sleeping in Northern Ireland is substantially greater than indicated by official street counts. Moreover, while the total number of homelessness presentations to the Northern Ireland Housing Executive has been virtually static over the past decade, Full Duty Applicant cases have been steadily rising, increasing by 26% between 2009/10 and 2018/19. The largest group of Full Duty Applicant cases is those accepted on grounds that their "accommodation is not reasonable", with the great majority of this cohort affected by disability and/or ill-health.

The Northern Ireland Housing Executive practice of processing rehousing applications of people affected by ill health and occupying unsuitable housing via the homelessness legislation rather than through the "normal" allocations system significantly contributes to the historically high recorded incidence of statutory homelessness in Northern Ireland as compared with other UK jurisdictions. It also helps to explain the strikingly high proportion of social housing allocations accounted for by statutory homeless cases in Northern Ireland. In 2017/18 lettings to homeless households accounted for no less than 88% of all Housing Executive lettings to new tenants, as compared with 39% of all social lets to new tenants in Scotland, and only 21% of all local authority lets to new tenants in England.

The annual number of temporary accommodation placements in Northern Ireland has been relatively stable in recent years, albeit that the figure for 2017/18 was the highest of the decade, at just over 3,000. What is perhaps particularly concerning in the Northern Irish context is the reliance on non-self-contained forms of accommodation, including bed and breakfast and hostels, with these forms of provision accounting for more than half of the total temporary accommodation placements made in the first and second quarters of financial year 2018/19. While private single lets account for the bulk of placements at any one point in time, on account of their typically longer duration, more than a quarter of households in temporary accommodation as at 10/1/2019 were living in non-self-contained premises.

The Welfare Reform "mitigation" package introduced in stages in 2016 and 2017 has succeeded in protecting many low-income households from significant reductions in their benefits to date, and is likely to have made a considerable contribution to keeping

homelessness in Northern Ireland relatively stable, at least with respect to rough sleeping and temporary accommodation placements. However, this protection is due to come to an end in March 2020. The ending of protection from the "Bedroom Tax" for 34,000 tenants in the social sector poses a considerable risk of rising arrears, and ultimately higher levels of homelessness, particularly in view of the mismatch between the social housing stock and bedroom requirements of smaller households as determined by the Social Sector Size Criteria ("Bedroom Tax"). The option of using Discretionary Housing Payments is by no means an ideal way of addressing this issue, not least because of their budget-limited as well as discretionary nature.

The Work and Pensions and Northern Ireland Affairs Committees published their joint report on "Welfare policy in Northern Ireland"²³⁶ on 9 September 2019. The key recommendation was that the mitigation package should be extended for a further four years beyond March 2020 and that this would include the Social Sector Size Criteria ("Bedroom Tax") and benefit cap mitigations as well as disability-related mitigation payments and mitigation for 16-year olds transitioning from Disability Living Allowance to Personal Independence Payment. Other recommendations include: making Discretionary Support Awards less restrictive (in particular, by removing a specific income ceiling); that the Secretary of State for Northern Ireland should make a statement to Parliament as soon as possible stating the Government's intention to pass legislation to extend the mitigation package in a Northern Ireland Budget Act; undertaking an evaluation of split Universal Credit payments in Scotland to assess an appropriate model for Northern Ireland; halting

the implementation of the UK-wide two-child limit on Universal Credit in Northern Ireland and reimbursing families already affected by this restriction. At the time of writing the Government response to these recommendations is awaited.

Low housing costs in Northern Ireland, relative to the rest of the UK indicate a housing system under less pressure than in many other parts of the country. However, Northern Ireland has the smallest social rented sector of any UK nation: only 13% of households were housed in the sector in 2016/17, compared to 17% in Wales and England, and 22% in Scotland. Moreover, lettings by social landlords have been on a downward trajectory for some time, whilst the number of applicants in housing stress has risen. This suggests that the supply of social rented housing is one of the main pressure points in the Northern Irish housing system, and is further evidenced by the frequency with which private tenants cite the length of social landlord waiting lists as a reason for opting for private renting. Attempts to increase the supply of social and affordable housing have been hampered by the absence of an agreed policy on Developer Contributions in Northern Ireland. Moreover, a temporary "derogation" that postpones both the Office for National Statistics decision to reclassify Northern Ireland's housing associations as public bodies, and the severe budgetary implications of this, is due to end in March 2020. An Office for National Statistics decision to reverse this reclassification decision is dependent on legislation being passed that will deregulate housing associations. It will also legislate for the ending of the Statutory House Sales Scheme (the Northern Ireland equivalent of the Right to Buy). The Northern Ireland Office has now committed to passing

²³⁶ Northern Ireland Affairs Committee (2019) *Welfare policy in Northern Ireland*, Online: House of Commons. Available at: <https://www.parliament.uk/business/committees/committees-a-z/commons-select/northern-ireland-affairs-committee/inquiries/parliament-2017/welfare-policy-in-northern-ireland-inquiry-17-19/>.

this legislation through Westminster as soon as possible. Attempts to make some significant amendments to the historically sensitive allocations policy for social housing, especially around so-called "intimidation points", have ground to a halt for the same reason. Also extremely worrying is the ongoing shortfall in funding for the Housing Executive. It is estimated that an additional £1bn is required over a ten-year period to undertake necessary repairs and improvements to the stock, without which there is the danger that a proportion of the stock will have to be "decommissioned" for health and safety reasons.

The private rented sector in Northern Ireland has grown enormously over the past 20 years and is now a similar size to the social rented sector, albeit that its growth has moderated in recent years. Unlike tenants in the social sector, there has been no mitigation package to protect private sector tenants against the impact of the growing gap between Local Housing Allowance and contractual rents. Recent research by Housing Rights provides a disaggregated analysis of the situation that shows in only 5 out of the 40 broad rental market area property type combinations are 20% or more of the properties available to let at below the between Local Housing Allowance rate, a rate which should reflect the 30th percentile. Nonetheless, there is little evidence of "no fault" evictions being prevalent, the loss of rented accommodation is cited as a reason for homelessness acceptances in only a relatively modest proportion of total Full Duty Applicant cases, albeit that this category has exhibited a large proportionate increase over the past decade. So this paints a very different picture to the massive expansion in the numbers made homeless by the ending of private tenancies witnessed in England

since 2010, although the full roll-out of Universal Credit, and the fast approaching "cliff edge" withdrawal of the welfare reform mitigation package, may see that position change.

Taking the analysis wider again, it is worth noting that Northern Ireland experienced the deepest recession of any UK nation, and output recovered to pre-recession levels only in 2015. There has been some catching up with the rest of the UK more recently but within the context of low growth that is expected to continue, and the uncertainty surrounding Brexit, impact assessments suggests that Northern Ireland is more exposed than other parts of the UK to Brexit, especially a disorderly "no deal". There is therefore little space to be complacent about the prospects for homeless people and other severely disadvantaged groups in a post-Brexit Northern Ireland.

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Appendix 1 Topic Guide (2019)

1. Introduction (IF NECESSARY)

- Explain nature and purpose of research
- Their job title/role; how long they have been in that position/organisation

2. Trends in client groups/needs (IF SERVICE PROVIDER)

- nature, size, profile of client group (inc. any funding or capacity restrictions on who can work with, especially any evidence of unmet needs)
- needs of clients (ie more/less vulnerable, etc)
- triggers for homelessness/crisis situation, etc. (are they changing etc.)

3. Homelessness Strategy/Policy/Practice

- What do you think are the main strengths/weaknesses of the new (2017-2022) Homelessness Strategy? How does it compare to the earlier (2012-2017) Homelessness Strategy? (Probe: content, priorities, delivery, implementation, etc)
- What is the current state of play in the roll out of Housing Solutions and Support/when was it completed? Strengths/weaknesses/impact so far? Are there any statistics/evidence available on outcomes etc?
- What impact have the cuts/(partial) reinstatement of SP funds had? (Probe on relative impact on: hostels, supported accommodation, floating support services, any other implications?)
- What is the current position on the expansion of HF provision? Likely/unlikely? What difference has new Homelessness Strategy/SP funding developments had? Do you welcome/regret this position?
- What did you make of the NI Audit Office report? Helpful/unhelpful intervention? Any impact?
- Any developments on rough sleeping/outcomes from the Inter-ministerial initiative following the street deaths? What impact do you anticipate the duty on DfC to have an interdepartmental action plan?
- Impacts of the suspension of devolved Government

4. Welfare, housing and wider issues

- What are the impacts/likely future impacts of welfare reform, now being implemented in NI to a different timetable/with modifications to rest of UK?
 - - LHA limits?
 - - Universal Credit roll out (and concessions in NI, e.g. direct rental/fortnightly payments)
 - - mitigation measures (on BT and benefit cap) – what will happen in/after 2020? What preparation is being made for this?
- Any relevant housing policy developments – on supply, allocations, etc.? Relationship between NIHE and DfC?
- Impacts of the suspension of devolved Government
- Impact of Brexit/role of DUP in sustaining May Government/wider political developments

5. Prevention²³⁷

- Taking all of the relevant policy/practice developments in the round, how effective would you say homelessness prevention is in NI – both at the 'crisis' and more 'upstream' end of the spectrum? Variations between groups/geographies/causes of homelessness etc?
- Has this changed recently/over longer-term? (Probe on impact of Housing Solutions and Support; the Homelessness Strategies, etc.)
- Do you have a sense of how this compares to the other UK countries? What are the reasons why more/less effective than in NI)?
- Has there been any much policy transfer/lessons learned between the different UK countries to date (probe influence of Scotland, how/why that came about; but also Wales and England, etc)
- What difference, if any, has this mutual learning made to policy and practice? Positive/negative, appropriate/inappropriate?
- Should there be more/less policy transfer/learning? If more, what is the most effective way to make that happen?
- Priorities for homelessness policy/practice development in NI?

²³⁷ Note that this section of the topic guide was intended mainly to prompt discussion relevant to a parallel project on 'Homelessness Prevention Across the UK', conducted in partnership with the UK Collaborative Centre for Housing Evidence (CaCHE)

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