



Department for
Communities

An Roinn

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Department for

Commonities

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BUDGET 2023-24

Equality Impact Assessment (EQIA)

Final Report

3 October 2023

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Executive Summary

Following the setting of the 2023-24 NI Budget by the Secretary of State on 27 April 2023, the Department for Communities (DfC) examined a number of potential scenarios for its 2023-24 Budget allocation and given potential for adverse impacts across Section 75 groups determined that an Equality Impact Assessment (hereafter referred to as EQIA) was required to measure the extent of the likely impacts of the Budget allocation on spending proposals for the 2023-24 financial year.

The EQIA was drafted and published for public consultation on 10 May 2023 in order to collate views from interested stakeholders, with an initial (Stage 1) consultation period of four weeks, ending on 7 June, followed by a further (Stage 2) consultation period of 8 weeks, ending on 2 August.

There were seven stages in the Department Budget 2023-24 EQIA process:

Stage 1 Definition of the policy aims

Stage 2 Consideration of available data and research

Stage 3 Assessment of impacts

Stage 4 Consideration of mitigation measures

Stage 5 Consultation

Stage 6 Decision and publication of the results of the EQIA

Stage 7 Monitoring

Following the end of both the Stage 1 and Stage 2 consultation period, the Department has reviewed over 240 consultation responses, and issues raised to inform the Department's decisions on final budget allocations. This report sets out the findings of the first five stages of the process and the (stage 6) decisions taken by the Department in the allocation of its 2023-24 Budget. This includes consideration of measures, within the Department's extremely constrained Budget allocation, to mitigate adverse impacts of the Budget.

In making decisions, the Department has aimed to incorporate the outcomes of the public consultation to mitigate the worst impacts of the budget allocation which might better achieve the promotion of equality of opportunity on the Section 75 groups and the most vulnerable in our society.

The Department's EQIA Final Report will be published and also posted on Department website.

In summary the Departmental decisions made, in line with the measures set out in the EQIA, include:

- Continuing to carry 600 vacancies.
- Rationalisation of the DfC office estate.
- 5% reduction in Arm's Length Body budgets.
- £4.9m for the Rates Support Grant (£4m less than last year); and
- £159m provided to social housing for 1,470 new starts.

Whilst these difficult decisions have been required by the Department to live within its constrained Budget allocation, to mitigate the worst impacts of the budget allocation on the Section 75 groups, the Department has:

- Sustained funding at 2022-23 levels for:
 - the Supporting People Programme which supports 19,000 vulnerable individuals,

- for 280 community and voluntary organisations; and
- for Labour Market Partnerships;
- Allocated £20m budget for Discretionary Support Grants;
- Increased funding for homelessness interventions by £5m above the 2022-23 level to address demand pressures and the increased cost of temporary accommodation.

In taking these decisions, the Department has carefully considered its statutory and contractual obligations, the policy decisions of former Ministers, and the significant Resource and Capital pressures the Department continues to manage in the demand for public service delivery. In particular, the increased demand for Discretionary Support hardship support given the cost-of-living crisis, the impact of inflation on all aspects of service delivery and the need to provide a meaningful pay award to staff.

1. Policy Aim

1.1. Section 75 of the NI Act 1998 requires the Department, in carrying out its functions, to have due regard to the need to promote equality of opportunity between -

- people with different religious beliefs;
- people from different racial groups;
- people of different ages;
- people with different marital status;
- people with different sexual orientations;
- men and women generally;
- people with or without a disability;
- people with or without dependants; and
- people with different political opinions.

1.2. In addition, but without prejudice to the duty above, the Department should also have due regard to the desirability of promoting good relations between people with different religious beliefs, different political opinions or from different racial groups.

1.3. Equality scheme commitments require public authorities to determine if there are any impacts on equality of opportunity and if there are opportunities to better promote equality of opportunity between people within the Section 75 equality categories. Where screening would not be an adequate means of gathering the information that is needed to assess the relevant equality impacts or opportunities, the public authority should proceed to do an EQIA.

1.4. The primary function of an EQIA is to assess whether policy proposals would have a differential impact and in particular, an adverse differential impact on the categories of persons listed in Section 75, and any sub-groups within those categories.

1.5. While the Department aims to avoid any adverse impacts, the process of setting Budgets can in some cases have an unintentionally greater impact on some specific Section 75 groups than others, for example, on males, females, young people or older people, etc.

1.6. Upon assessment, it was determined that the Secretary of State's Budget 2023-24 allocation to the Department met these criteria and required an EQIA.

1.7. The purpose of the Department's Budget 2023-24 Equality Impact Assessment (EQIA) was to:

- Present the context under which budget reductions were deemed necessary.
- Share the decisions proposed by the Department to live within its 2023-24 Budget allocation.
- Highlight the potential impact of those decisions on the services and supports the Department provides.
- Detail any measures identified to mitigate the adverse impacts of the budget.
- Record the findings and responses from the EQIA Consultation; and
- Note the final decisions taken by the Department in order to live within its Budget allocation and how these decisions were made.

Budget 2023-24 - Context

1.8. This section sets out the Department's initial assessment of the equality impacts of the Budget on spending proposals for the 2023-24 financial year.

1.9. It is important to note that the Department's Budget 2023-24 allocations provide funding for the Department's programmes, Arm's Length Bodies, administrative costs and capital investment, but do not cover benefits payments to customers which are funded directly by Treasury or by HMRC National Insurance Contributions.

Role of Department for Communities

1.10. Through funding provided by the Secretary of State for 2023-24, the Department provides support to meet the needs of some of the most disadvantaged people, families and communities across Northern Ireland.

1.11. The Department delivers a diverse range of functions that impact on the lives of everyone in our society. The Department's common purpose is to make this a great place to live for everybody by supporting people, building communities, shaping places. The Department's areas of responsibility include:

- delivery of the social security system including child maintenance and pensions;
- providing advice and support for those seeking employment and for those who are unable to work;
- ensuring the availability of good quality and affordable housing;
- encouraging diversity and participation in society and promoting social inclusion;
- promoting sports and leisure within our communities;
- supporting local government to deliver services;
- supporting the Voluntary and Community Sector;
- identifying and preserving records of historical, social and cultural importance to ensure they are available to the public and for future generations;
- realising the value of our built heritage;
- supporting creative industries, and promoting the arts, language and cultural sectors;
- providing free access to books, information, IT and community programmes through our libraries;
- maintaining museums;
- revitalising town and city centres; and
- delivery of an Appeals Service.

1.12. The funding allocated to the Department includes funding to support the Department's Arms' Length Bodies. These include:

- Armagh Observatory and Planetarium
- Arts Council of Northern Ireland
- Commissioner for Older People for Northern Ireland
- Charity Commission for Northern Ireland
- Local Government Staff Commission (LGSC)
- Museums and Galleries NI (known as National Museums Northern Ireland)
- Northern Ireland Library Authority (known as Libraries Northern Ireland)
- Northern Ireland Museums Council
- Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC)
- Northern Ireland Commissioner for Children and Young People
- Northern Ireland Housing Executive (NIHE)
- Sport NI
- Ulster Supported Employment Limited
- North South Language Bodies
 - Foras na Gaeilge
 - Ulster-Scots Agency

NI Budget 2023-24

1.13. The Secretary of State's Budget 2023-24 document sets out the spending plans for the period from 1 April 2023 to 31 March 2024.

1.14. The total Non-Ring-fenced Resource DEL funding available for NICS Departments is £14,212m in 2023-24. Resource spending covers the day-to-day costs of public services and administration, plus debt interest. It is largely financed by the UK Block Grant (which comprises a core element determined by the Barnett formula plus 'non-Barnett additions' that include financing for political agreements), with a much smaller contribution from the Regional Rates.

1.15. The context of setting the Northern Ireland Budget for 2023-24 has been very difficult, with significant challenges for all NICS Departments to manage the forecasted level of pressures in 2023-24. HM Treasury agreed to grant some flexibility on the repayment of the £297m Resource overspend against the 2022-23 Budget, which will now be repaid using future in-year Barnett consequential. This flexibility will provide some protection to front line public services in Northern Ireland. However, difficult

decisions remain in order to live within the funding available. The decision-making process is made more difficult in the absence of a functioning Executive and Ministers, and work has been progressed to clarify the powers Permanent Secretaries have to make decisions in the absence of Ministers.

1.16. The Capital funding available for NICS Departments totals £2,268.1m in 2023-24, including £2,239.7m Conventional Capital and £28.4m Financial Transactions Capital. Capital spending covers investment in infrastructure, plant and machinery. It is largely financed from the Block Grant, plus capital borrowing under the Reinvestment and Reform Initiative (RRI), which is limited in amount by legislation and agreement with the Treasury.

Department for Communities Budget 2023-24 Allocation

1.17. The 2023-24 Budget settlement provides the Department for Communities with £861.6m Resource, £216.1m Capital and £25.6m Financial Transactions Capital (FTC). Table 1 details the Department's Budget 2023-24 allocations against 2022-23 allocations.

Table 1 – DfC Budget 2023-24 allocations against 2022-23 allocations

DfC Budget Position (£m)	2022-23 Allocation	2023-24 Allocation	Change
Resource DEL Non-Ring-Fenced	715.5	702.1	-1.9%
Resource DEL – Earmarked *	157.1	159.5	1.4%
TOTAL RESOURCE *	872.60	861.6	-1.3%
Capital DEL	224.8	216.1	-3.9%
Financial Transaction Capital	38.8	25.6	-34.0%

* £24m for DoF's Rates Replacement Scheme added back into 2022-23 earmarked funding as it's included in the 2023-24 total.

1.18. The Department's 2023-24 Non-Ring-Fenced Resource Budget allocation reflects a £13.3m (1.9%) reduction on 2022-23 Resource DEL. This must be viewed in the context of £97.9m of additional Resource requirements in 2023-24, which increases the Department's Non-Ring-Fenced Resource funding gap to £111.2m (15.5%). Managing a Resource shortfall of this scale will undoubtedly have a significant impact on the Department's ability to deliver public services in 2023-24.

1.19. Within the Resource DEL position, earmarked funding of £159.5m has been provided for Welfare Mitigations, Housing Benefit Rates and Debt Advice. It is positive that these allocations, will enable these provisions to continue in 2023-24 without cut and any adverse impact.

1.20. The Department's Capital allocation totals £216.1m Net Capital in 2023-24. This is a £8.7m decrease in Net Capital when compared to the Department's 2022-23 Net Capital allocation of £224.8m. Furthermore, given the greatest proportion of the Department's budget provides for new build Social Housing and recent construction industry inflation of 26%¹, the Department's Capital allocation is now £59m (27.3%) short of £275.1m required for 2023-24.

1.21. Overall, given the Department's additional 2023-24 Resource and Capital requirements, the allocations presented a very constrained budget position for the Department in 2023-24. In managing this position, the Department has firstly considered its ability to deliver internal efficiencies, prior to the need to reduce or stop

1 [https://bcis.co.uk/news/bcis-construction-review-2022/#:~:text=Construction%20materials%20price%20inflation%20peaks,\(RPI\)%20was%207.5%25](https://bcis.co.uk/news/bcis-construction-review-2022/#:~:text=Construction%20materials%20price%20inflation%20peaks,(RPI)%20was%207.5%25)

service delivery or any reduction to its Arm's Length Bodies and 3rd party funded organisations.

- 1.22. Further detail on the Department's Resource, Capital and Financial Transaction Capital requirements is provided below.

Resource Budget 2023-24

- 1.23. The Department's 2023-24 Resource funding is intended to cover the administration of Social Security benefits, Pensions and Child Maintenance Service delivery, support social and affordable Housing, Urban Regeneration and Local Government, and provide support for the Voluntary and Community Sector, the sports, arts, language and cultural sectors, our Arm's Length Bodies, the Public Records Office of NI and our built heritage. The Department's Resource budget also includes ring fenced funding for Housing Benefits Rates benefits (£113.9m) administered by Land and Property Service in DoF on behalf of owner occupiers and the NI Housing Executive on behalf of tenants, and for continuing of existing Welfare Mitigations (£43.0m) which includes Social Sector Size Criteria (known as Bedroom Tax) and Benefit Cap mitigation.

- 1.24. Given over 90% of the Department's total Resource requirement relates to areas of protected, contractual, inescapable and statutory spend, only the remaining 10% of the Department's resource budget can be classified as discretionary with potential for reduction. However, a proportion of the discretionary funding requirement relates to other statutory and contractual obligations related to Councils, Arm's Length Bodies and voluntary bodies. Therefore, even with a continued focus on improving the efficiency and effectiveness of existing spending, there is limited scope to reduce funding for particular areas over the budget period to help mitigate any adverse impacts on Section 75 categories.

- 1.25. In addition to the pressures faced, new bids totalling over £375m were included within the Department's 2023-24 Resource requirements. This included the funding required to progress Ministerial priorities such as new Welfare Mitigations, a Supporting People provider uplift and replacement European Social Fund support. No funding was allocated within the 2023-24 Budget settlement against these bids.

Capital 2023-24

1.26. The Department's Capital allocation is £216.1m Net Capital in 2023-24. This is a £8.7m decrease in Net Capital when compared to the Department's 2022-23 Net Capital allocation of £224.8m. This allocation will allow the Department to meet its statutory obligations (such as Housing Disabled Adaptions and Renovation Grants, Discretionary Support Loans, Funeral Loans and Health and Safety requirements), other contractual and inescapable commitments and existing contractual delivery of new social house building. However, the remaining funding will have to be

carefully prioritised to take forward a limited number of projects in Housing, Regeneration, Culture, Arts, Sports, Libraries, and other sectors.

Financial Transaction Capital 2023-24

1.27. The Department's Financial Transaction Capital allocation is £25.6m in 2023-24, which is in line with the forecasted need. This will support loans for equity investment in capital projects delivered by the private sector and allow continuation of Co-Ownership affordable housing in 2023-24.

2. Consideration of Available Data and Research

2.1. Following Stage 1 of the consultation, in assessing the impact of the Budget 2023-24 policy against obligations under Section 75 of the 1998 Act the Department has concluded that there is evidence of significant and adverse impact in respect of all Section 75 categories. Impacts have been considered against the backdrop of available data and the stated policy intent to determine whether differential impacts identified are adverse. Where this is the case, consideration has been given to potential for mitigations, aligned with the Department's very constrained 2023-24 Budget position.

Unit, the Department for Communities Integrated Compliment System (ICS), Department for Work and Pensions, the Chancellor's Spending Review 2021 and Autumn 2022 Budget, Office of Budget Responsibility publications, University of Ulster Economic Policy Centre Research Data, Jobseeker's Allowance Summary of Statistics, Poverty Bulletin: Northern Ireland, Households Below Average Income Northern Ireland, Database for Income Modelling and Estimation (DIME) dataset, Department's Audit of Inequalities 2021-22², the Department's Budget 2023-24 EQIA responses.

2.2. In compiling the Final EQIA Report and understanding the adverse impacts on Section 75 Groups, the data considered was derived from a number of sources. These include:

- the Labour Force Survey (NISRA), Northern Ireland Census 2021, Community Background by Age; Family Resources Survey; the Department for Communities Professional Services

2.3. Throughout the EQIA process, the Department has also worked closely with its Arm's Length Bodies to understand the impact of the Budget 2023-24 outcome on service delivery, the potential impacts of the Budget outcome on the various Section 75 groups and how any impacts could be mitigated.

2 Audit of Inequalities - <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/dfc-audit-of-inequalities-2012-2022.pdf>

3. Assessment of Impacts

- 3.1. The Department is committed to ensuring that it fulfils its duties under Section 75 (1) and (2) of the Northern Ireland Act 1998 in relation to having due regard to the need to promote equality of opportunity and to have regard to desirability of promoting good relations.
- 3.2. In so doing the intention is to ensure that in identifying and taking forward Budget proposals, due regard has been given to the needs and concerns of all Section 75 groups and that the subsequent actions put forward in support of the Budget proposals effectively target the needs of those most vulnerable and at risk.

2023-24 Budget

- 2.1. Given the Department's Non-Ring-Fenced Resource funding gap of £111.2m (15.5%) and £59m (27.3%) shortfall in Capital in 2023-24, lengthy and evidence-based consideration has been given to the decisions necessary to live within budget. As part of this process, the Department determined

an EQIA was necessary to ensure decisions on the 2023-24 Budget allocation did not have an adverse differential impact on the categories of persons listed in Section 75, and any sub-groups within those categories.

- 3.3. In managing the constrained financial position, the Department firstly considered options for internal efficiencies, prior to considering the need to reduce or stop service delivery or the funding provided to its Arm's Length Bodies and 3rd party funded organisations. However, given the scale of the Department's Resource and Capital funding gap, cuts to the services and the supports the Department provides was inevitable.

- 3.4. The services and supports provided by the Department, initially proposed for reduction in the 2023-24 Budget allocations and subject to consultation were detailed in the Department's Draft EQIA, published on the DfC website³.

3 <https://www.communities-ni.gov.uk/consultations/consultation-department-communities-budget-2023-24-allocations>

3.5. Following Stage 1 of the consultation, in assessing the impact of the Budget 2023-24 policy against obligations under Section 75 of the 1998 Act the Department has concluded that there is evidence of potential adverse impact in respect of all Section 75 categories. Impacts have been considered against the backdrop of available data and the stated policy intent to determine whether differential impacts identified are adverse. Where this is the case, consideration has been given to potential for mitigations, aligned with the Department’s very constrained 2023-24 Budget position.

Section 75 Categories Potentially Impacted

3.6. As set out above, the actions initially proposed by the Department in the Draft EQIA to live within the Budget for 2023-24 are identified as having potential for adverse impact on all nine Section 75 categories. A summary of impacts is provided below; this is however not intended to be an exhaustive list, given the supports, services and information provided by the Department, its Arm’s Length Bodies and 3rd party

funding organisations touch on every household and Section 75 group in Northern Ireland. Furthermore, where Budget reductions are proposed, individual policy screenings and EQIAs where necessary will be progressed.

- **People of different ages**

The Department’s Audit of Inequalities identifies young people (18-24 year olds) as having the lowest working age employment rates and the highest rates of unemployment and economic inactivity. Young people, and in particular those aged 18 to 24, faced a particular disadvantage in the labour market even before the Covid-19 pandemic. This has been highlighted in researched reports from the Centre for Labour and Social Studies⁴, Chartered Institute of Personnel and Development⁵, European Economic and Social Committee⁶, City and Guilds⁷ and the TUC⁸. This disadvantage is likely to continue as a result of the cost-of-living crisis. This position would be exacerbated with reduction and/or withdrawal of local employment support provision such as the Department’s Labour

4 Labour Market Realities: Barriers Facing Young People | Blog | CLASS (classonline.org.uk)

5 Recruiting young people facing disadvantage: an evidence review (cipd.co.uk)

6 Young people are worse off than older generations in today’s labour market | European Economic and Social Committee (europa.eu)

7 Youth Misspent: Uncovering the harsh realities for Britain’s young people in today’s job market - News (cityandguilds.com)

8 <https://www.tuc.org.uk/news/young-workers-three-times-more-likely-be-employed-sectors-where-jobs-are-most-risk-tuc>

Market Partnerships with Councils and supports currently available through Universal Credit work coaches to help move people into employment.

- **Men and women generally**

The Department's Audit of Inequalities identifies that women may experience barriers to employment and economic participation whilst men may be subject to health problems leading to higher rates of morbidity and mortality associated with poverty.

Lack of funding to provide employment support is likely to adversely impact on both men and women. Additionally, both men and women will be impacted by the constrained funding available to support parity social security benefit delivery administration and Move to Universal Credit which will also impact on their households and dependents.

This position would be exacerbated with reduction and/or withdrawal of local employment support provision such as the Department's Labour Market Partnerships with Councils and supports currently available through Universal Credit work coaches to help move people into employment.

- **People of different ages**

The Department's Audit of Inequalities identifies that people with a disability and/or health conditions may experience barriers of economic participation, social isolation and poverty. The Joseph Rowntree Foundation – Poverty in Northern Ireland (2022) report outlines that disabled people in Northern Ireland have faced a higher poverty risk for at least the last 20 years. This is driven partly by the additional costs associated with disability and ill-health, and partly by many disabled people facing barriers to accessing work. Those barriers mean that many disabled people and/or families where someone is disabled rely on benefits as a source of income. The Department's 2023-24 funding gap will impact on the ability to maintain parity of social security benefit provision and meet Discretionary Support Grant demand in 2023-24; which will adversely impact on people with disabilities reliant on benefit income. Furthermore, the lack of labour market support will also adversely impact on unemployed disabled people, who will now be even further from the labour market during the current cost of living crisis.

- **People with or without dependants**

The Department does not collect information on dependents. The 2021 Census however identifies that 29% of all households had dependent children. Where these households are receiving Universal Credit, the impact on payment times due to staff shortages will indirectly and adversely impact on children. Additionally childcare can act as a barrier to moving towards employment or obtaining, retaining or progressing within employment, particularly for women, lone parents and those from disadvantaged backgrounds and the Department's proposed labour market interventions were aimed at supporting Section 75 groups adversely impacted by increasing unemployment.

Additionally, the lack of funding for the Department's Arm's Length Bodies and potential reductions to other funded 3rd party organisations could also impact on these Section 75 groups. As the people in need of financial support, including disabled people and people with dependents are more likely to require the services and supports the Department provides.

- **People with different religious beliefs;**

Failure to provide funding sufficient for new build housing could potentially impact on people with different religious beliefs. The Equality Impact Assessment for the Housing Supply Strategy⁹ contains a detailed Equality Impact analysis of the whole Housing system. This outlines that following examination of NIHE waiting list data for social housing for the period 2016 to 2021 that Catholic household reference person applicants experienced the longest median waiting times for social housing at the point of allocation in Northern Ireland as a whole (18 months, as opposed to an average of 13 months).

The Budget 2021-22 consultation responses reference that failure to provide funding to mitigate the impact of the two-child policy in NI is of particular concern. Responses outline family size could disproportionately affect families from specific religious beliefs and racial groups where there is a trend for bigger families. This is supported by the 2011 Census which notes that in Northern Ireland Catholics had the largest average household size, at 2.76 persons.

9 <https://www.communities-ni.gov.uk/sites/default/files/consultations/communities/dfc-draft-eqia.pdf>

- **People with different sexual orientations;**

Inequalities with regard to people with different sexual orientations have been identified in the EQIA Consultation responses. Many LGBTQI+ people engage with specific sports, arts and culture organisations, which provide safe and creative spaces for members of this community. A reduction in funding to these organisations risks potential closures or changes to working practicalities. DfC supported work tends to provide more targeted engagement with members of the community with protected characteristics than other music and cultural programmes.

- **People with different marital status;**

Inequalities with regards to people with different marital status have also been identified in considering impacts of the proposed Budget allocations. In respect of Discretionary Support Grants, Professional Services Unit (PSU), who provide Statistical and Research services to the Department, collated analysis on Discretionary Support grants awarded during the 2022-23 financial year. In this period, 51,148 claimants received a Discretionary Support grant for an item(s). Just over two thirds, 68%, of those who were awarded a grant and responded to the

questionnaire, declared they were single, never married. The Department acknowledges that the Budget allocations may therefore impact this Section 75 group more than claimants with a different marital status.

Responses to the EQIA Consultation highlighted inequalities with regard to people with different marital status. The equality Strategy 2022-25 showed less participation in sport and physical activity.

- **People with different political opinions.**

Inequalities with regard to political opinion have been identified in the EQIA Consultation responses. Linen Hall Library was held as an example of a place where people of different political opinions can meet and interact and have difficult conversations and discussions about our shared history and shared future.

- **People from different racial groups;**

The Northern Ireland Statistics and Research Agency (NISRA) published data on language use for Northern Ireland which shows the most commonly spoken languages in Northern Ireland (excluding English and Irish) are Polish (1.1 per cent), Lithuanian (0.5 per cent), Romanian (0.3 per cent), Portuguese (0.3 per

cent), Arabic (0.2 per cent) and Bulgarian (0.2 per cent). The Census 2021 shows there is an increasing number of people living in Northern Ireland who do not have English as their main language. Ten years ago, in 2011, English was not the main language of 54,500 people aged 3 and over (3.1%); this increased to 85,100 people (4.6%) in 2021. Withdrawal of

local employment support provision such as the Department's Labour Market Partnerships with Councils and supports currently available through Universal Credit work coaches to help move people into employment, would likely impact adversely on people from different racial groups, leaving them even further from the labour market.

4. Consideration of Mitigation Measures

- 4.1. The impact of the Budget 2023-24 on the Department is extremely challenging with the Department facing a very constrained financial position in 2023-24. In the context of delivering public services with constrained allocations and other inescapable pressures, the Department has considered options to live within its 2023-24 allocation whilst continuing to maintain public service delivery in so far as this is possible.
- 4.2. Sustaining an accessible social security and financial support system and supporting people into employment are a core priority for the Department. The Department's budget will continue to be deployed in support of these objectives, including work to develop four new Social Inclusion Strategies for consideration by an incoming Minister and Executive. The promotion of equality of opportunity and good relations is an important part of ongoing policy development, legislative activities, and operational programmes. In managing within the Budget allocations, the Department will make every effort to protect front line service delivery.
- 4.3. Taking onboard available data and EQIA responses, the Department has sought to ensure that its budget allocations are applied as far as possible in a manner that does not disproportionately or adversely affect one Section 75 category, over another.
- 4.4. Following careful consideration, the following areas of mitigation have been identified and are being progressed by the Department in 2023-24 to mitigate the impact of the Department's constrained Budget 2023-24 allocations:
- Areas Proposed for Reduction and Mitigations Progressed**
- i. **Social Security Delivery**
 - **Universal Credit** - Similar to the Department for Work and Pensions (DWP), the Department's Universal

Credit (UC) caseload doubled during the pandemic and continues to remain high. DWP recruited significant numbers of additional staff to administer their increased UC caseloads and in the 2021 Autumn Budget and Spending Review were allocated £900m each year (until 31 March 2025) to meet recruitment costs. Given budget shortfalls facing DfC in 2023-24, the Department temporarily paused recruitment to avoid creating a further Departmental pressure. This has left the Department operating with staffing level pressures in operational benefit delivery. **To mitigate the impact on service delivery, a level of recruitment has recommenced within the available 2023-24 Budget. Furthermore, the Department plans to bid for the funding necessary in 2024-25 to appropriately resource its benefit delivery areas.** Longer term failure to appropriately resource will lead to delays in benefit payments and place working age customers, including people with disabilities and people with dependent children, in financial hardship. The Department continues to closely monitor the delivery of Universal Credit and in so far as possible mitigate any adverse impacts to Section 75 groups.

- **Move to Universal Credit** - Additional staff are required to deliver on the UK Government led Move to Universal Credit Programme, whereby all individuals on working age legacy benefits will be migrated to Universal Credit. The Move to Universal Credit in NI is aligned with DWP. Securing longer term funding for the departmental staff needed to deliver Move to Universal Credit in NI is critical, to meet the Executive's previous commitment to implement and maintain parity in statutory benefit delivery and will be factored into the Department's funding requirements for Budget 2024-25. There is a significant risk that if working age legacy customers here are not moved on to Universal Credit, the Department could become liable for the full IT costs associated with the maintenance and running of HMRC's National Tax Credit system and DWP legacy benefit systems. As part of closing tax credits activity, HMRC intend to introduce legislation to cease all payments of tax credits after 5 April 2025. If the 55,000 tax credits claimants in NI have not been migrated by this date, they will lose their access to welfare support. **To mitigate the risk to NI tax credit claimants (including people with disabilities, people with dependent children or who are in work but on low incomes), losing their access to welfare support, and**

to maintain parity of social security with DWP, the Department continues to progress Move to Universal Credit within its existing staff complement.

This position is not without significant risk and is being closely monitored by the Department, to ensure any emerging adverse impact on equality of opportunity is identified and opportunity for mitigation considered.

- **Social Security Benefit Delivery Laptop Replacement Programme**
– Given the constrained budget position, the Department has no funding to progress replacement of IT (laptop) devices over 3 years old. This poses a considerable risk to future social security operational benefit delivery, including putting at risk the Department’s ability to pay all customers and maintain parity of social security with GB. **A condensed timeframe laptop replacement programme will be factored into the Department’s funding requirements for Budget 2024-25.**

ii. Discretionary Support (DS) Grants

- **Discretionary Support (DS) Grants** (equivalent to GB Household Support Fund) provide support to people facing financial hardship. Grant demand has risen to unprecedented levels, almost a fourfold increase, during the cost-of-

living crisis. The Department’s historic Baseline budget for Discretionary Support Grants totalled £13.7m; which given the constrained budget position was not sufficient to meet the demand forecast in 2023-24. Given the pressures facing the Department in 2023-24, DS Grants awards have been scaled back. Whilst the same range of grant supports are available, such as grants for living expenses and household items, reductions have applied through reducing the number of times and circumstances where help is made available, rather than removing certain elements of help completely. The Department recognises the vital support DS provides to support any vulnerable individual or household facing financial hardship, particularly during this cost-of-living crisis. Given the Department’s constrained 2023-24 Budget, this action has been necessary to ensure the Department’s DS Grant Budget was not fully exhausted by Autumn 2023. Additionally, **the Department’s DS Grant Baseline Budget has been topped up to £20m for 2023-24. Failure to have taken such action would have put at risk the Department’s ability to help address the basic needs of people who present with hardship, particularly people with dependents, older people and people with a disability.** The Department has published a separate

EQIA on the Discretionary Support policy change on the DfC website ¹⁰.

funding in 2023-24, with funding being maintained at 2022-23 levels.

iii. Employment Support

- **Labour Market Partnerships (LMP)**
– LMPs, which are delivered through local councils, provide a suite of employability provision to support people to find and retain employment. LMP aims to improve employability outcomes and labour market conditions by working through a multi-agency partnership approach at local and regional level, with regional objectives whilst being flexible to meet the needs presented by localised conditions, such as economically inactive, long-term unemployment, youth unemployment, disability, skilled labour supply and economic shock. The Department had initially proposed pausing LMP funding from 1 July 2023 given constrained Budget position, but recognised the significant and adverse impacts this would have had across S75 groups, especially in the context of the removal of ESF funding. LMPs not only help those seeking work, but they are also a critical intervention to help people with a disability or health condition to remain in work. In considering final Budget 2023-24 allocations, **the Department has mitigated the proposed pause in LMP**

iv. Rationalisation of the DfC office estate

- Given the very constrained 2023-24 Budget position, the Department announced and has commenced a programme of estates rationalisation which will support it in living within the 2023-24 Budget allocation. This involves the Department exiting four Belfast offices during 2023-24, these include Nine Lanyon, Bankmore House, College Street, and 43-45 Falls Road. Whilst initial Budget 2023-24 proposals included potential closures of customer facing offices one day per week, the **offices now being exited provide back-office functions only, thereby mitigating any adverse impact to front office customer service delivery**, particularly given the Department's responsibilities for delivery of benefits and pensions to vulnerable people, including people with a disability and older people who may require more face-to-face support. This efficiency measure will realise a saving in 2023-24, but also provide a recurrent saving to the Department and to the Department of Finance in future years.

10 Consultation on changes to the Discretionary Support Scheme | Department for Communities (communities-ni.gov.uk)

v. Arm's Length Bodies (ALBs);

- The Department's 11 ALBs provide services and support to a range of sectors including Housing, Arts, Libraries, Museums and Sports. Given the Department's constrained financial position, funding has been reduced by 5% compared to the 2022-23 baseline.
- The **NI Housing Executive** goal is that everyone has access to decent, affordable housing and they do this by working with communities and other organisations to meet the housing needs of existing and future generations. The Department and NI Housing Executive have been working together to manage the housing budget, reviewing the financial position as the year progresses and have continued to look at areas where expenditure could be reduced without impacting negatively on the essential services that housing, Supporting People and homelessness sectors provide. While the budget remains under significant pressure, with a number of uncertainties still ahead, the intention is that **key services will remain funded at the current level for the remainder of the year. This will mitigate adverse impact across the S75 groups.**

The Department has also taken a decision to provide a further £5m

above the 2022-23 Baseline to NI Housing Executive to offset pressures on Homelessness. These pressures have arisen due to continued high demand and the increasing cost of temporary accommodation. This funding will provide much needed support to vulnerable people, including people impacted by Homelessness across Section 75 categories.

- **Arts Council NI** funding has decreased, in real terms, by 30% over the last decade. Throughout 2023-24, the Department has continued to work closely with **Arts Council NI**, who have been proactive in managing within their Budget allocation including maintaining programmes, to ensure there is minimal reduction in services or adverse impact on S75 groups.
- **Libraries NI** focus on the delivery of services to the public is reflected in their use of financial resources with some 86% of all funding being expended directly on the provision of frontline services. Throughout 2023-24, the Department has continued to work closely with **Libraries NI**, who have been proactive in managing within their Budget allocation, to ensure there is minimal reduction in services or adverse impact on S75 groups.

- **National Museums NI** develop, manage and care for the collections, making them accessible to the widest possible audience. As part of this, National Museums NI provides a range of on-site and outreach activities to older people and those with mental health issues and physical disabilities. Throughout 2023-24, the Department has continued to work closely with **National Museums NI**, to ensure there is minimal reduction in services or adverse impact on S75 groups.
 - The previous NI Executive committed to having an active, healthier and fitter society, which is delivered by **Sport NI** through the Sport and Physical Activity Strategy for Northern Ireland. This is a cross-cutting strategy, contributing to the long-term health and well-being of the population. Throughout 2023-24, the Department has continued to work closely with **Sport NI**, who have been proactive in managing within their Budget allocation, to ensure there is minimal reduction in services or adverse impact on S75 groups.
 - **Ulster Support Employment Ltd (USEL)** - Operates a social enterprise business model and is Northern Ireland's largest provider of support for people with disabilities or health conditions to move into and sustain employment. Each year USEL employ, support and train over 1,400 people with disabilities or health conditions across Northern Ireland. **Throughout 2023-24, the Department has continued to work closely with USEL, who have been proactive in managing within their Budget allocation, to ensure no reduction in services or adverse impact on the support provided to people with disabilities and health conditions.**
- vi. Third Party Organisations;**
- The funding of a number of **Third-Party Organisations** (NIScreen, Linenhall Library and Mellon Centre for Migration Studies) was reduced in order for the Department to manage the budget allocation. To mitigate the impact on Section 75 groups from the reduction in funding these bodies are working with other funders in order to seek to maintain services.
- vii. Rates Support Grant**
- The **Rates Support Grant** provides financial support, on an annual basis, to those councils whose needs exceed their wealth relative to other councils in NI. The Rates Support Grant is a statutory grant; however the level of funding is not set in legislation. The Rates Support Grant was reduced by £3m in 2023-23, and a further reduction of £4m has been applied for

2023-24. The decision to implement was screened out for Section 75 Equality purposes as no adverse impacts were identified.

viii. Supporting People Programme

- **The Supporting People programme** is the policy and funding framework for housing support services. The Programme assists 19,000 vulnerable people each year to live independently and is focused on four thematic areas; working with people who are experiencing homelessness, young people, older people and people with a disability including mental health and learning disabilities. A report in 2020 identified significant shortfalls in supply of housing support particularly for the following groups:

- Older people with housing support needs (service shortfall of 9% or c. 920 units).
- Women who are at risk of domestic violence (service shortfall of 49% or c.650 units).
- People with learning disability or mental health issues (service shortfall of 15-21% or c.540 units).
- Homeless people experiencing alcohol or drug issues, homeless families, offenders and other homeless people (service shortfall of 12-24% or c. 540 units).

- Therefore, a number of 575 groups including older people and people with a disability including mental health and learning disabilities may be disproportionately impacted by a reduction in funding. In considering final Budget 2023-24 allocations, **the Department has mitigated the proposed cut in Support People Programme funding in 2023-24, with funding being maintained at 2022-23 levels.**

Capital

- The Department's Net Capital budget has decreased by £8.7m when compared to the Department's 2022-23 Net Capital allocation of £224.8m.
- **This allocation is enabling the Department to continue to meet its statutory and contractual obligations, including the support available to people in all Section 75 categories**
- **Social Housing** is a key priority for the Department, but the 2023-24 net capital allocations will have a significant detrimental effect on the numbers of new social homes that can be built through the Social Housing Development Programme in 2023-24. This Programme is the means to counter increasing waiting lists, which are currently at record levels. The

target for 2023-24 is 2,000 starts. The previous Executive agreed to prioritise Green Growth and Social Housing with any surplus Capital DEL which emerges.

- **To mitigate the impacts of the constrained level of funding available for Social Housing, the Department has over planned on its Capital Budget to maximise the number of social homes that can be started in 2023-24.** As such slippage in capital projects will be utilised, where possible, to support the building of c1,470 new Social Homes. In addition, **the Affordable Warmth scheme has been kept open to support low-income households who are most at risk of fuel poverty.**

4.5. In allocating the Budget, the Department has carefully considered its statutory, legislative, and contractual obligations, the policy decisions of former Ministers, continued demand for public service delivery, the availability of both Resource and Capital funding and potential for any adverse on Section 75 groups.

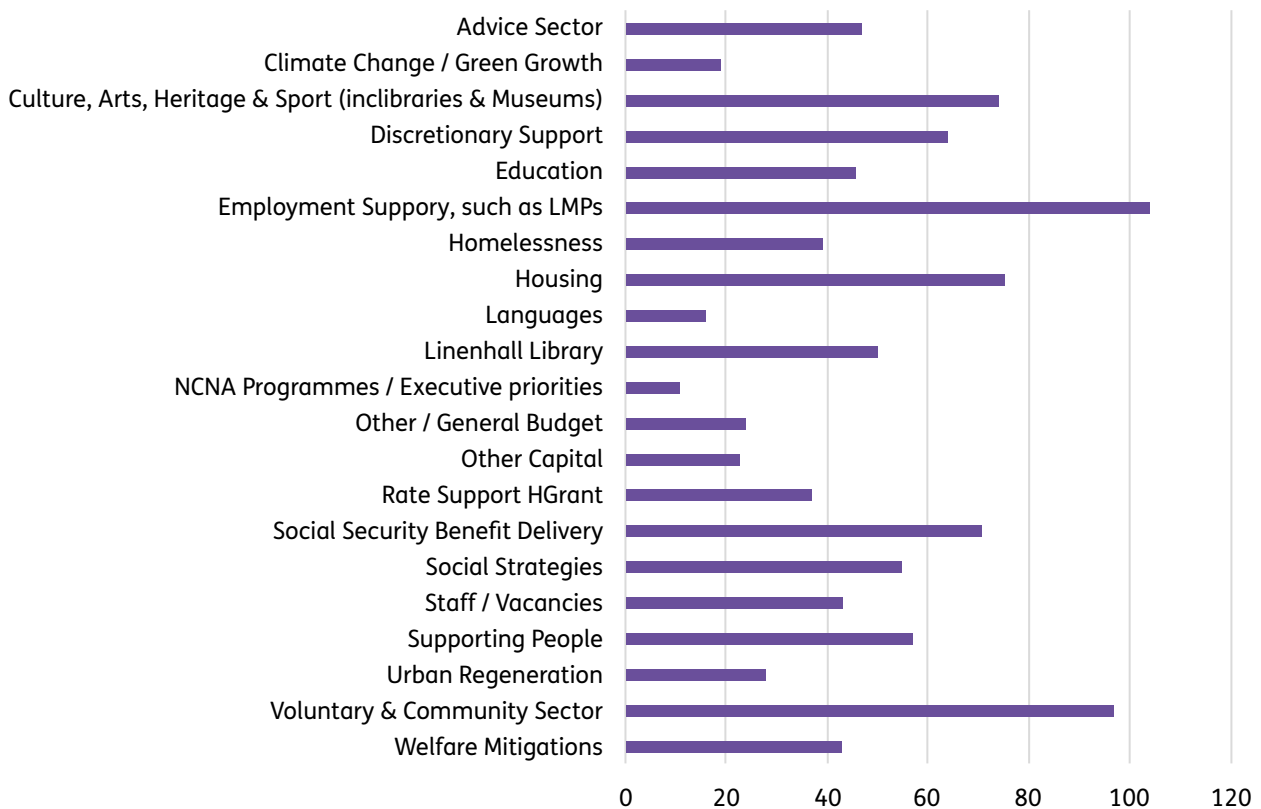
4.6. The decisions taking by the Department have considered available data and responses received during the consultation, to mitigate the impacts of the budget allocation on the Section 75 groups and the most vulnerable in our society.

5. Consultation

- 5.1. The Department would like to take this opportunity to thank all those who participated in the DfC Budget 2023-24 EQIA consultation process. The invaluable input and expertise received through your responses has helped to inform and shape the Department's final Budget 2023-24 allocations to its business areas, Arm's Length Bodies and 3rd party funded organisations, and mitigations that could be put in place. The responses received will also be used to consider any further mitigation measures or direct any additional funding which may emerge over the remainder of the financial year.
- 5.2. The Department's Budget 2023-24 Draft EQIA was published for public consultation on 10 May 2023, with an initial (Stage 1) consultation period of four weeks, ending on 7 June, followed by a further (Stage 2) consultation period of 8 weeks, ending on 2 August. During the consultation period, a total of 244 responses were received. This included 104 online survey responses (15 from organisations and 89 from private individuals), 140 email responses (111¹¹ from organisations and 29 from private individuals). No postal responses were received.
- 5.3. As the proposed Budget 2023-24 allocations span the diverse functions of the Department, respondents had differing priorities with a wide range of views expressed. The views of respondents have been summarised into 21 key themes.
- 5.4. The graph overleaf summarises the numbers of concerns raised by respondents under each theme.

11 Details of the organisations responding is provided an Annex A.

Graph 1: Summary of EQIA respondent concerns by theme



5.5. All EQIA consultation responses and feedback received has been analysed with the key issues being summarised and presented with the Department’s response at **Appendix B**.

5.6. For the most part, respondents agree with the inequalities identified and the Section 75 categories affected in the draft EQIA. In addition to the potential

for adverse impacts on Section 75 categories, the consultation responses received also highlight the high level of concern from both organisations and individuals on the impact of the Department’s constrained 2023-24 Budget position on all aspects of public service delivery, and the people and communities the Department’s support.

6. Decisions and Publication

- 6.1. In keeping with this Department's commitments under its Equality Scheme, any adverse differential impact on equality of opportunity or good relations identified through this assessment process has been considered in informing the Department's final Budget 2023-24 allocations and will also be used to inform further development of mitigations, revised Budget allocations and in-year bids should the opportunity arise.
- 6.2. The Department has sought to ensure that allocations are applied as far as possible in a manner that does not disproportionately or adversely affect one Section 75 category, over another. The Department has also sought to promote equality of opportunity and protect services to minimise, as much as possible, the adverse impacts to the most vulnerable.
- 6.3. The Department has carried out extensive work to consider options for internal efficiencies and potential savings measures to assist in delivering a balanced budget. This work has considered how the Department's budget is used, with over 90% of the Department's total Resource requirement relating to areas of protected, contractual, inescapable, and statutory spend, and only 10% classified as discretionary with potential for reduction.
- 6.4. Following careful consideration of options and their impact, and responses received in the EQIA consultation, final decisions have had to be taken to implement savings measures within the Department and across the Department's funded Arm's Length Bodies. The decisions taking by the Department have been essential to ensure the Department lives within its 2023-24 Budget allocation, as the Department's Accounting Officer has a legal obligation to deliver a balanced budget.
- 6.5. The Departmental decisions made, in line with the measures set out in the EQIA, include:
- **Continuing to carry 600 vacancies** – whilst extremely challenging, the Department continues to provide
-

services and supports to some of the most vulnerable in society, including people within Section 75 categories. Whilst far from ideal, this vacancy position largely reflects the Department's position since late 2020, within a continued shortfall in the funding required to support much needed recruitment. Offsetting this, the Department continues to proactively seek opportunities for greater internal efficiencies, for example, through process automation to help mitigate pressures on existing staff.

- **Rationalisation of the DfC office estate** – As already outlined, the Department has commenced a programme of estates rationalisation which will support it in living within the 2023-24 Budget allocation. This will see DfC exit four Belfast offices during 2023-24. The offices being exited provide back-office functions only, thereby mitigating any adverse impact to front office customer service delivery. This efficiency measure will realise a saving in 2023-24, offsetting a level of 2023-24 pressures faced, but also provide a recurrent saving to DfC and to the Department of Finance in future years.
- **5% reduction in Arm's Length Body budgets** – whilst Arm's Length Body budgets have been reduced in

line with the constrained financial position facing the Department, the Department has continued to work closely with them to mitigate any adverse impacts of the Budget allocations. These Bodies continue to work proactively to live within their available allocation.

- **£4.9m for the Rates Support Grant** – the Department constrained financial position has result in a reduced level of funding provided to Councils (£4m less than last year); and
- **£159m provided to social housing** – which is enabling the provision of 1,470 new social home starts this financial year. Whilst below the 2,000 new starts target, the Department continues to seek additional Capital funding at an NI Block level to increase the number of starts this year.

Whilst these difficult decisions have been required by the Department to live within its constrained Budget allocation, to mitigate the worst impacts of the budget allocation on the Section 75 groups, the Department has:

- a.) Sustained funding at 2022-23 levels for the Supporting People Programme which supports 19,000 vulnerable individuals,

- b.) Sustained funding at 2022-23 levels for 280 community and voluntary organisations who provided vital support services across communities and Section 75 groups;
 - c.) Sustained funding at 2022-23 levels for Labour Market Partnerships with councils, which help people of all ages seeking work and provide a critical intervention to help people with a disability or health condition to remain in work;
 - d.) Allocated £20m budget for Discretionary Support Grants to support people on low incomes facing hardship; and
 - e.) Increased funding for homelessness interventions by £5m above the 2022-23 level to address demand pressures and the increased cost of temporary accommodation.
- 6.6. All decisions have been considered and taken in compliance with relevant statutory, legislative, and policy requirements and obligations. However, **in taking these decisions, the Department continues to manage significant Resource and Capital pressures in the demand for public service delivery. In particular, the increased demand for Discretionary Support hardship support.**
 - 6.7. Promotion of equality of opportunity and the protection of services to vulnerable groups has been a key consideration in the Department's final Budget decisions. Where necessary further consultations and equality screening will be considered, as appropriate.
 - 6.8. The Department's EQIA final decisions will be published and will also be posted on Department website.

7. Monitoring

- 7.1. Schedule 9 of the Northern Ireland Act 1998 requires that a system be established to monitor the impact of the final policy in order to find out its effect on the relevant groups within the equality categories.
- 7.2. The Department has established systems in place to monitor the impact of public spending on the delivery of public services. This work continues, with the Department aiming to ensure that allocation of its constrained 2023-24 Budget, achieves better outcomes for the relevant equality groups. If this monitoring and evaluation shows that the revised policy results in greater adverse impact than predicted, or if opportunities arise which would allow for greater equality of opportunity to be promoted, the Department will revise the policy accordingly.
- 7.3. For all NICS departments, including DfC and organisations funded by the Department, the lack of stable budgets has adversely impacted on the ability to plan for longer term delivery of public services. Despite efforts to progress a multi-year Budget for the period 2022-25, there was no Executive agreement on the proposed Draft 2022-25 Budget. For departments, the last multi-year budget for Northern Ireland was for 2011-15.
- 7.4. There is an urgent need for a strategic, long-term approach to all public services in Northern Ireland, including overdue reform to place Northern Ireland on a sustainable footing. This was recognised in the ‘New Decade New Approach’ agreement, with the Executive agreeing what Northern Ireland needs is to move to multi-year budgets, and also have in place a proper programme for government, setting out plans for investment and reform across our public services.
- 7.5. The Department working closely with our delivery partners, has sought to mitigate the most significant and adverse impact of its sub-optimal 2023-24 Budget allocation across the vast array of public services and supports delivered by the Department. Whilst the Department’s priority remains supporting the most vulnerable and at-risk in our society, difficult decisions have had to be made

to live within the funding available. Work will continue to understand the impacts of the 2023-24 Budget allocations, including mitigations put in place, on all public service delivery supported by the Department. This work will form the robust evidence base and critical basis on which all funding requirements for 2024-25 financial year will be determined and bids submitted.

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