

**Simon Community  
submission to Draft Budget  
2025/26 consultation**

**March 2025**

## Introduction

As Northern Ireland's largest homelessness charity, Simon Community is determined in our commitment to ending homelessness. Operating right across the region, we provide preventative services, temporary accommodation and specialised support services that address the unique challenges faced by those experiencing homelessness. In the past year, we've provided vital support to around 1,400 people through our accommodation and support services and responded to nearly 18,000 calls for help to our free 24/7 support line. Simon Community's aim is not only to provide immediate assistance but also long-term solutions that end the cycle of homelessness for good. We work in partnership with all sectors, embrace innovative approaches and leverage the strength of our relationships to create meaningful change and ensure a society where everyone has a place to call home.

With record-high numbers of people and families without a place to call home, Simon Community welcome the opportunity to respond to this consultation, setting out our view on how this year's budget should be prioritised. Unfortunately, we believe the current proposed funding is insufficient for the Department for Communities, Northern Ireland Housing Executive and the wider housing and homelessness sector to adequately prevent and reduce homelessness.

It is absolutely vital that adequate funding is allocated across government to prioritise addressing the growing housing and homelessness crisis in Northern Ireland. Simon Community therefore call on the Northern Ireland Executive to prioritise the following areas in the final 25/26 budget allocations:

- Sufficient funding provided to the Department for Communities and the Northern Ireland Housing Executive to enable around 2,220 new social home starts each year, supporting the delivery of agreed Programme for Government and Housing Supply Strategy targets.
- Enhanced investment in Northern Ireland Water to facilitate urgent social home development.
- Adequate ring-fenced funding for strategic activities aimed at homelessness prevention and innovative ideas to tackle the homelessness crisis.
- Mitigations for the detrimental impact of the increase in National Insurance Contributions for homelessness providers.
- A sustainable, multi-year Supporting People budget, with annual inflationary uplifts.

- Consideration of possible mitigations to address the impact of the freeze in Local Housing Allowance and the increasing unaffordability of the private rental sector.

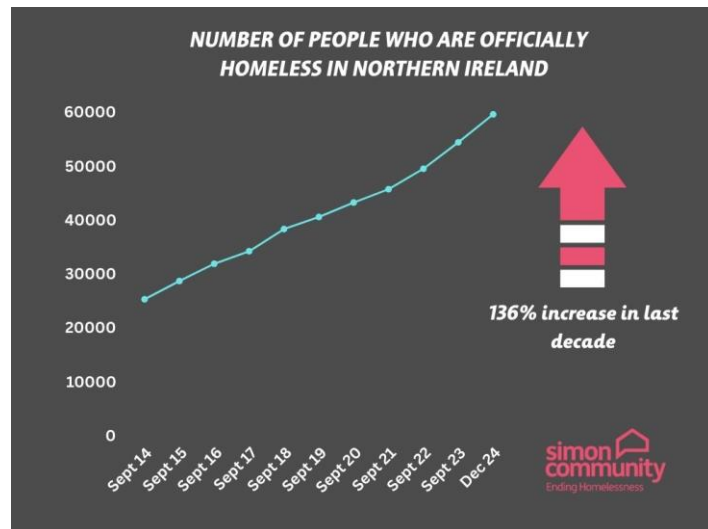
## Social housing

Access to safe and secure housing is a human right and a home is the foundation for a healthy and fulfilling life. Despite this, 89,098 people (including 25,462 children and young people under the age of 18) from 48,325 households are currently on the social housing waiting list in Northern Ireland, the vast majority of whom are deemed to be in housing stress.<sup>i</sup> 59,518 people

(which equates to one in every 32 people) are now officially homeless in Northern Ireland, an increase of 136% over the last decade.<sup>ii</sup> Yet only 1,346 social homes were completed in 2024, a drop in the ocean compared to what is needed.<sup>iii</sup> This means more and more people and families are becoming trapped in expensive temporary accommodation due to fewer affordable housing options. This includes over 5,000 children who are currently living in temporary accommodation, which we know can have significant negative impacts on their education, health and wellbeing.<sup>iv</sup>

In December 2024, the Chief Executive of the Housing Executive outlined that £188m in capital funding would be required to build 2,000 social homes in 25/26.<sup>v</sup> Simon Community was therefore initially pleased to see the increased allocation of £270m in capital funding for the Department for Communities in the 25/26 budget. This is double the 24/25 allocation of £133.4m in capital DEL and appeared to be a promising sign that the Northern Ireland Executive are committed to addressing the housing and homelessness crisis and deliver on commitments in both the Programme for Government and the Housing Supply Strategy.

Unfortunately, our optimism has been short-lived with departmental officials providing a concerning briefing on the budget position at a Communities Committee meeting on 27<sup>th</sup> February 2025.<sup>vi</sup> Officials told the Committee that despite the capital budget being considerably more than last year, it still falls well short of the £431.3m bid that was



submitted by the Department. According to officials, the majority (£217.6m) of the £270m capital DEL will be for “*inescapable and pre-committed projects*” including completion of social homes that were started in 24/25. This means the department will enter 25/26 with just over £50m to spend on other capital projects. Officials told the Committee that even if the total £50m was allocated to social home development (which we know is extremely unlikely given other departmental priorities), this would only enable around 1,000 new social homes to be started next year. This is less than half the 2,200 annual new starts that we know are needed to meet the Housing Supply Strategy target of 33,000 social homes over the next 15 years.<sup>vii</sup> The final Programme for Government also contains a commitment from the Executive to have started work on at least 5,850 new build social homes by the end of this mandate.<sup>viii</sup> If an estimated 1,400 homes are delivered in 24/25, that leaves 4,450 homes to be delivered over the next two years – around 2,225 a year. However, these targets are meaningless if the Executive does not allocate sufficient funding to deliver them.

If the Northern Ireland Executive is serious about ensuring everyone in our society has “*access to affordable, sustainable and quality housing*”, then they must ensure that the allocated funding meets the level of need and the number of homes the Executive say themselves that we need to build. This is unfortunately not the case with the current draft budget and we strongly urge the Executive to reconsider the level of funding awarded to the Department for Communities in the 25/26 budget. We would also like to see the Department for Communities receive first call on any additional monies that become available throughout the year via monitoring rounds. This approach was somewhat successful in allocating the department additional funding in 24/25. However, it’s important to highlight that reliance on this process can result in uncertainty for those involved in the construction of social homes.

On a more positive note, Simon Community were pleased to see the proposed allocation of £48.1m in Financial Transactions Capital to the Department for Communities. Up to £10m of this will go to the recently announced Loan to Acquire Move on Accommodation (LAMA) scheme, which will enable homeless organisations such as ourselves to provide safe and secure private rented accommodation at an affordable rate. Simon Community are proud to have successfully piloted this initiative through our Creating Homes scheme, and we look forward to continuing to provide even more individuals experiencing homelessness with the stability and security of a long-term home.

Finally, it’s important to note that the Department for Communities cannot enhance social housing development in Northern Ireland alone. Tackling our housing crisis

requires a cross-departmental response. Years of underfunding has led to our current water infrastructure capacity issues which are significantly hindering the construction of much-needed new homes. The Construction Employers Federation have estimated that around 19,000 homes in Northern Ireland are currently unable to proceed due to constraints on wastewater capacity.<sup>ix</sup> Progressing these 19,000 homes could have a significant impact on the social housing waiting list, cutting it by as much as 39%.<sup>x</sup> Enhancing investment in and establishing a new funding model for NI Water is therefore critically important and vital to addressing the housing crisis in Northern Ireland.

### Homelessness prevention

The Communities Minister has repeatedly said that we “*must make the strategic shift to the prevention of homelessness*”. We fully agree with this - homelessness prevention is central to the ethos of our work as we know that the best thing we can do for people is prevent them from needing our support services in the first place. Simon Community, alongside others in the sector, therefore welcomed the decision by the Communities Minister to make a specific allocation to homelessness prevention from 25/26 onwards. We believe this will help provide some financial stability to funded projects on an annual rather than monthly basis.

However, the full details of what this specific allocation will involve in 25/26 have not yet been made clear, despite us being only a few weeks away from the new financial year. The draft Northern Ireland Housing Executive Corporate Strategy 25/26 - 27/28 that was recently out for public consultation also contains disappointingly few details on how they will “*deliver systems change...to prevent homelessness*”.

It is well known that over the past few years money that should have been spent on homelessness prevention efforts has been redirected to funding temporary accommodation (including non-standard accommodation) in response to the spiralling number of people presenting as homeless. A response to a recent Assembly Question showed that over £16m was spent on temporary non-standard accommodation in 24/25, which equates to a shocking average of around £45,000 per day.<sup>xi</sup> While a critical service to those in need, residing in temporary accommodation for extended periods of time can make it more difficult for people to exit homelessness. If we are to deliver on the Programme for Government commitment of “*preventing homelessness, making it brief, rare and non-recurrent*”, then we must shift from crisis response only to also deliver strategic activities aimed at homelessness prevention and tenancy sustainment. This will, over time, have greater outcomes for people as well as reduce pressure on other services and budgets.

As well as further clarity on what the specific allocation for homelessness prevention efforts will look like, Simon Community would therefore also like to see the 25/26 budget include ringfenced funding (likely for the Department for Communities) for innovation and to test new ideas to tackle and prevent homelessness (e.g. subsidising private rents, exploring the potential of modular homes etc.). If we are to end homelessness in Northern Ireland for good, working in the same way we have always done will not be enough – we must work together to do things differently.

### **Mitigating the impact of National Insurance Contribution increases and ensuring the housing and homelessness sector is adequately resourced**

While it's positive to see an increase in non-ringfenced resource funding for the Department of Communities this year, we remain concerned that this will be insufficient to respond to the consequences of the 2024 UK Budget – most notably the increase in National Insurance Contributions. Like all charities across the UK, Simon Community are facing a substantial increase in our National Insurance Contributions from April 2025 and are very concerned about how we, and other providers in the sector, will afford this increase in cost.

In November 2024, the Committee Representing Independent Supporting People Providers (CRISPP), of which we are a member, wrote to the Communities Minister to express our concerns and share the results of a survey of providers. 77% of respondents to the survey indicated they were very concerned about the impact of the changes on their organisation, while 68% were unsure if they were going to be able to afford the increase in costs.<sup>xii</sup>

We appreciate this decision was not made by the Northern Ireland Executive and that the Finance Minister has made multiple efforts to highlight the impact of this increase to the UK Government. However, if the UK Government will not reverse this decision, it will be up to the Northern Ireland Executive to mitigate the detrimental consequences for service providers and the people we support.

This imposed cost is especially disappointing given years of inadequate funding for the Supporting People programme, which supports some of the most vulnerable people in our society. Alongside others in the sector, Simon Community have long highlighted how resources available to providers are insufficient to meet increasing demand and the needs of people we support. Despite the 2024 funding boost, the Supporting People programme has not kept pace with inflation for over a decade, leading to persistent financial difficulties for providers.

Staffing is one of the largest costs associated with the delivery of Supporting People services. Yet providers often struggle to recruit and retain staff due to insufficient and uncertain funding. Currently, Simon Community have a 16% vacancy rate in our accommodation and community support worker roles – a key role that provides 24-hour support to those accessing our services. This high vacancy rate places considerable strain on our staff, who often go above and beyond to support those experiencing homelessness and negatively impacts staff morale. Like other providers, Simon Community have also witnessed a significant increase in the complexity of the needs of those we support over the past decade, particularly in terms of mental health and addiction. Yet this is not taken into account with current funding levels which are contributing to unsafe staffing levels and higher risks for both staff and the people we support.

The increase in employer National Insurance Contributions will only further exacerbate financial pressure on providers unless there is a matched increase in Supporting People funding. Given the vital role the sector plays in the prevention and reduction of homelessness, Simon Community want to see the Northern Ireland Executive recognise the true cost of delivering homelessness services and properly resource housing and homelessness organisations via sustainable multi-year Supporting People budgets with recurrent annual inflationary uplifts.

### **Mitigating the impact of the Local Housing Allowance freeze**

It's estimated that almost half of private renters in Northern Ireland rely on housing benefits to help pay their rent.<sup>xiii</sup> Yet figures obtained by Housing Rights found that 82% of private renters who are in receipt of Local Housing Allowance face a shortfall between their housing benefit and the cost of their rent.<sup>xiv</sup> This shortfall can often mean that many renters are faced with the choice of living in unsuitable homes or locations or having to forgo other essential items in order to afford rent.

Despite the rising costs of rent, Local Housing Allowance will effectively be frozen again this year, meaning payments will not keep pace with rent increases. The burden of this freeze will be felt most by low-income households, forcing many into poverty and homelessness.

Simon Community believe that Local Housing Allowance should keep pace with increases in the private rented sector and would like to see this housing benefit permanently linked with private rents. We believe this would enhance affordability in the private rented sector, allowing more people to find suitable and secure homes. While we appreciate this is a decision for the UK Government to make, we would like to see the

Northern Ireland Executive collectively lobby Westminster on this change. In the interim period, we also call for the Executive to consider if there are any possible mitigations that could be put in place to address the increasing unaffordability of the private rental sector which is forcing more and more people into homelessness.

## Conclusion

The 25/26 Budget represents a critical opportunity to address Northern Ireland's most pressing social issues – undersupply of social and affordable housing and rising homelessness. We recognise the challenges facing the Northern Ireland Executive in terms of finite resources but believe that investment in housing and homelessness prevention is truly an investment worth making.

Sustained and repeated homelessness has a significant impact on public expenditure with some research estimating that the cost to public services for one person being homeless for one year is around £35,000.<sup>xv</sup> That same research has estimated that if 40,000 people were prevented from experiencing one year of homelessness, public spending would fall by £370m. Therefore, while also being morally the right thing to do, there is a strong economic argument for investing in the prevention of homelessness.

We welcome the fact that the Executive are currently advocating for multi-year budgets for Northern Ireland and hope that 25/26 will be the final single year budget. We believe this is a critical factor to the successful delivery of the Programme for Government and would provide much-needed continuity and stability to the delivery of public services. Our current housing and homelessness crisis has developed over a long period of time (albeit skyrocketing in the last few years). Therefore, it will require a long-term response which can only truly be delivered by multi-year budgets.

A multi-year budget for Simon Community services would be transformative for the people we support. Stable, long-term funding means we can recruit and retain experienced frontline staff who provide essential care to those experiencing homelessness. Instead of struggling with short-term contracts and high staff turnover, we could offer secure, fairly paid roles, ensuring service users receive consistent, high-quality support. With a reliable budget, we can invest in staff development, improve morale and build a resilient and experienced team that can focus entirely on meeting the complex needs of those who rely on our services without the ongoing disruption of funding uncertainty.

Simon Community acknowledge that while the cost of addressing homelessness in Northern Ireland might seem daunting, the long-term benefits and potential savings



make it a strong financial investment. Comparative research from across the world shows that the cost of preventing and solving homelessness is much less than the cost of doing nothing. Ending homelessness benefits us all – it reduces costs for society, improves the lives of individuals and strengthens communities. It is clearly an investment worth making.

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<sup>i</sup> NIHE FOI 661 (Feb 2025) & DfC Housing Bulletin Oct-Dec 24 (Feb 2025).

<sup>ii</sup> NIHE FOI 661 (Feb 2025) & AQW 14882/22-27 (Oct 2024).

<sup>iii</sup> DfC Housing Bulletins Jan-Mar 2024 & Oct-Dec 2024.

<sup>iv</sup> DfC Homelessness Bulletin Apr-Sept 2024. (Dec 2024).

<sup>v</sup> BBC Good Morning Ulster, Interview with Grainia Long, Tuesday December 10 2024.

<sup>vi</sup> NI Assembly, Communities Committee, 27<sup>th</sup> February 2025: <https://niassembly.tv/committee-for-the-communities-meeting-thursday-27-february-2025/>

<sup>vii</sup> Department for Communities. (2024). *Housing Supply Strategy: A Home for Everyone (2024-2039)*.

<sup>viii</sup> NI Executive. (2025). *Our Plan: Doing What Matters Most. Programme for Government 2024-2027*.

<sup>ix</sup> [19,000 home backlog demands immediate action from NI Executive on governance and funding model of NI CEF \(cefni.co.uk\)](https://www.cefni.co.uk/19000-home-backlog-demands-immediate-action-from-ni-executive-on-governance-and-funding-model-of-ni-cefni-co-uk)

<sup>x</sup> Based on 48,325 households currently on the social housing waiting list.

<sup>xi</sup> AQW 20740/22-27.

<sup>xii</sup> CRISPP. (2024). *Survey on the impact of the increase in National Insurance Contributions & the rise in the Minimum Wage on Supporting People funded providers*.

<sup>xiii</sup> Renters' Voice. (2024). 'No-Fault' Eviction Survey Findings. Available at: [Renters' Voice no fault eviction survey report.pdf](https://www.rentersvoice.org.uk/wp-content/uploads/2024/07/No-Fault-Eviction-Survey-Findings.pdf)

<sup>xiv</sup> Housing Rights. (2023). *Press release: 82% of private renters in NI face shortfall between their housing benefit & cost of rent*. Available at: <https://www.housingrights.org.uk/professionals/news/press-release-82-private-renters-ni-face-shortfall-between-their-housing-benefit>

<sup>xv</sup> Pleace, N. & Culhane, D.P. (2016). *Better than Cure? Testing the case for enhancing prevention of single homelessness in England*. London: Crisis.