

<p>Title of Report:</p> <p>Draft Budget consultation – Department for Communities</p>	<p>Officer Presenting: Director of Health and Community</p> <p>Author: Director of Health and Community</p>
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1 Purpose of Report/Recommendations

- 1.1 To advise Members following the decision of the Governance and Strategic Planning Committee of the consultation period, which closes on 25th February 2021, of the open consultation process for the draft 2021-2022 budget for the Department of Communities (DfC).
- 1.2 To seek Members' comments for inclusion in a comprehensive response to DfC's consultation in respect of the matters raised by Members at the Governance and Strategic Planning Committee pertaining to the remit of the Health and Community Committee and wider strategic comments as directed by Members.

2 Background

- 2.1 The Northern Ireland draft Executive budget 2021-22 was announced by the Finance Minister on 18th January with the subsequent consultation period closing on 25th February 2021.
- 2.2 The Department's proposed draft budget 2021/22 relates to those programmes directly managed by the Department, Arms length bodies, administration costs and capital investment, but does not cover benefits payments to customers which are directly funded by the Treasury or HMRC National Contributions.
- 2.3 The proposed allocations are presented at an overall Departmental outcome level as detailed below:

DfC Draft Budget 2021-22 allocations against Opening allocations in 2020-21

DfC Budget Position (£m)	2020-21 Allocation	2021-22 Proposed Allocation	Change
Resource DEL	823.8	824.8	1.0
Capital DEL	214.1	224.8	10.7

Financial Transaction Capital	-	38.8	38.8
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- 2.4 Following the announcement of the budget details, the full details of which can be found at <https://www.finance-ni.gov.uk/publications/2021-22-draft-budget> the Department of Communities has initiated a public consultation at www.communities-ni.gov.uk/consultations/equality-impact-assessment-draft-dfc-budget-2021-2022
- 2.5 In Parallel with the consultation process DfC's initial assessment of the equality impact of the draft budget on the proposed spending priorities has been set out in a consultation paper.

3 Key Issues

- 3.1 DfC provides support to the most disadvantaged in our community, including families across Northern Ireland. The overall purpose of the Department is 'to make this a great place to live for everybody by supporting people, building communities and shaping places.'
- 3.2 The ability of the Department to deliver public services, support COVID 19 recovery and deliver on NI priorities including the New Decade New Approach agreement will be influenced by this budget proposal.
- 3.3 Members will have noted that of the overall budget allocation of £824.8m, some 92% of the budget, is required to meet existing Departmental commitments with the remaining 8% which may be classified as discretionary expenditure allied to commitments associated with the delivery of Council programmes, Arm's length bodies and voluntary bodies.
- 3.4 Arising from the budget proposals Members at the Governance and Strategic Planning Committee on 2nd February 2021 have commented on and resolved to draw up a submission in response to the DfC draft budget and its potential detrimental impact of a £1.5m reduction to the independent advice sector and the potential impact on the vulnerable including the young, old and disabled members of the community.

- 3.5 In addition to the above resolution the following issues have been raised by Members: the potential impact on the vulnerable including across some section 75 groups; the increased demand on the advice sector which is facing significantly increased demand for advice as a result of the pandemic which will undoubtedly increase; the increased presentation for universal credit support; the backlog in personal independence payments; the need to lobby for additional support; and should the cuts materialise, the job loss impact across Northern Ireland and the District along with the resultant detrimental community impact.
- 3.6 Members also referenced the impact on commitments within the New Decade New Approach should further funding commitments not be confirmed. In particular, the impact on the tangible difference to people's lives was noted as a concern, including proposed changes for the support of the terminally ill and the impact of mitigations for the two child policy. The absorption of such potential cuts Members felt would be in excess of £50m.
- 3.7 Members should note the wider implications of the proposed budget alongside the Minister's anticipation that further funds are required to be committed. However more positively at this stage is the commitment within the capital programme to the A5 and A6. Cross Directorate comment will be sought to support these aspects of the submission.

4 Financial, Equality, Legal, HR, Improvement, Rural Needs and other Implications

- 4.1 In terms of financial implications, the non-award of funding to support the independent advice sector to deliver Welfare Reform advice would have an immediate impact within the District. In the current financial year £112,000 has been awarded via the community support programme to our advice providers, employing 4 additional advice workers in this critical role. This advice service is targeted at the most vulnerable in our community as part of welfare reform mitigations and therefore this specific group would be negatively impacted upon.
- 4.2 The Equality Impact Assessment by the Department for Communities has been published for comment.

5 Recommendations

- 5.1 That Members, following discussion at the GSP Committee provide additional comments for inclusion in a response to the consultation on the draft 2021-22 DfC budget.

Background Papers

www.communities-ni.gov.uk/consultations/equality-impact-assessment-draft-dfc-budget-2021-2022