

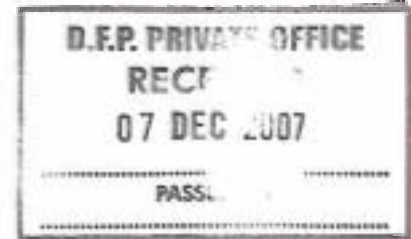
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5 December 2007

Right **Hon Peter Robinson MP M L A**
Minister for Finance and Personnel
Ministerial Suite
Craigantlet Building
Stormont Estate
Stoney Road
Belfast
BT4 3XX



Dear Minister

Fold is **one** of the largest housing associations in N Ireland with a housing stock of 4200 homes. **We** provide a **range** of both general needs and supported housing. **In** addition we operate a Staying Put scheme to help the elderly and those with disabilities to make use of the Housing Executive's Renovation Grants Scheme. We also offer an emergency 24 alarm **system**, TeleCare with a central call centre in Hollywood.

Fold is a developing association and over the last **four years** we **have** put on site 845 new units and we have **plans** to exceed this performance over the next four years.

Our future development programme **is** dependent on having the support of the Housing Executive and being able to access public funding through Housing Association Grant.

My Board was therefore concerned when it learnt that the capital allocation for housing for 2008109 proposed in the Draft Budget represents a 63% shortfall **against** what is needed and that the funding proposed is only sufficient to meet the carry over commitments from 2007108 and will not allow for **any** new housing starts. For Fold this means that projects we had planned to progress in areas of high housing stress such as Londonderry, North Belfast and 'Village' Belfast will have to be shelved.

The proposed allocation to housing is inconsistent with the Programme for Government and the Investment Strategy for Northern Ireland which recognises the priority attached to housing and the need to provide up to 10,000 new **social** homes over the next five years.

The shortage of funding will have a serious impact on housing waiting lists (which are currently at their highest level ever) and directly effect the most vulnerable in our community, the homeless, the badly **housed** and those with disabilities, needing housing support.

Another area of our work that will be adversely affected by the funding shortfall is our Staying Put Scheme. The majority of the grant applicants we assist under the scheme suffer from a disability and qualify for the Disabled Facilities Grant. This grant enables those with disabilities to make alterations to their homes to accommodate their disability and improve their living conditions. This is a mandatory **grant** which means that the Housing Executive is

legally committed to pay grants where the conditions are met. The **shortage** of funds will mean the Housing Executive will have to accept the applications but freeze them until funds are available to approve them. This will introduce more delays in what is already a lengthy process and have a damaging impact for the most disadvantaged **in** the community.

Fold supports the drive to make savings and improve efficiency in the delivery of services. In recent **years** we have **achieved** efficiency savings of 3% of turnover, monies which we have invested in the development programme.

Fold would also support the Minister of Social Development's efforts to **see** what can be done to bridge the **huge** gap in capital funding, particularly the sale of surplus land on the understanding that the receipts from such sales will be retained in housing. This can only make a contribution in the medium to longer term and is unlikely to have any significant impact over the next year.

There may be **ways** of supplementing the housing budget by increasing private sector funding which should be explored. Fold to date **has borrowed** over **£16m** from private institutions to support its development programme. Any increase however in private borrowings will only come at a cost which will inevitably impact **on** rent levels. Any reduction, for example, in Housing Association Grant rates requiring associations to borrow more would have this effect. **Fold's** policy to date has been to seek to keep rent levels 'affordable' and **generally** in line with those of the Housing Executive.

Investment in housing brings major benefits in improving living conditions, improving community health and educational attainment and facilitating economic growth. If the proposed funding allocation is not increased what is now a serious housing problem will become a crisis.

While accepting that the NI Executive faces difficult decisions in deciding priorities and allocating budgets to programmes, Fold considers the proposed housing allocation is inadequate to deal with N. Ireland's housing problems and calls for housing funding to **be** substantially increased in the **final** budget allocations.

Yours sincerely



William Cameron
Chairman