

Department of Finance NI 2021-2022 Draft Budget Consultation



Rural Community Network
SUPPORTING RURAL COMMUNITIES

Response to the Consultation by Rural Community Network

For further information contact:

Rural Community Network

38a Oldtown Street

Cookstown

Co Tyrone

BT80 8EF

T 028 8676 6670

aidan@ruralcommunitynetwork.org

February 2021

Background to RCN

Rural Community Network (RCN) is a regional voluntary organisation established in 1991 by local community organisations to articulate the voice of rural communities on issues relating to poverty, disadvantage, equality, social exclusion and community development. Our vision is of vibrant, articulate, inclusive and sustainable rural communities across Northern Ireland contributing to a prosperous, equitable, peaceful and stable society. Our mission is to provide an effective voice for, and support to, rural communities, particularly those who are most disadvantaged.

RCN is a membership organisation with 250 members across Northern Ireland. Its Board is representative of its membership base with more than half of its representatives (12) elected democratically from the community. The remaining representatives are a mix of organisations that provide support or have a sectoral interest within rural communities. RCN's aims are:

- to empower the voice of rural communities
- to champion excellence in rural community development practice
- to develop civic leadership in rural communities
- to actively work towards an equitable and peaceful society
- to promote the sustainable development of rural communities

Response to the Consultation

Rural Community Network welcomes the opportunity to respond to the consultation. We understand why the consultation period on the Draft Budget was reduced due to the delay in the Westminster Spending Review, nevertheless our response is curtailed by the amount of time available to analyse and understand the implications of the Draft Budget.

Comments from Rural Community Network

What service would you prioritise?

Investment in mental health issues – the pandemic has had profound impacts across a wide range of people of different ages related to anxiety, depression and bereavement leading to an upsurge in demand for treatment. However, if left unaddressed will have a huge long-term impact on health outcomes and will impact more seriously on poorer people. Any provision must ensure it reaches people in rural communities who may be further disadvantaged due to social isolation and distance from services.

The social housing new build programme should be enhanced, or at the very least protected to try to meet the need for social housing. Anecdotal evidence shows that demand for social housing in rural communities is rising as households seek rented accommodation with security

of tenure and which, in many instances, is a more affordable option than renting in the private sector.

We believe there is a clear rationale to keep funding the Supporting People Programme to ensure tenancies are sustained and some of the most vulnerable people in the community continue to receive vital support services.

Investment in waste-water and water infrastructure is required across many towns and villages across NI to facilitate the development of new homes.

It is crucial that the Executive prioritises investment in Green New Deal jobs to tackle climate change, address fuel poverty and make the NI economy more sustainable.

The Executive should continue to invest in broadband networks and promote remote working across the public and private sector. The pandemic has shown how many jobs can be undertaken remotely without a loss in productivity. Reducing the need for workers to commute, even two or three days a week will have considerable benefits for both the environment and individual well-being. It may also provide a boost for regional towns and smaller villages as people who previously commuted to Belfast or Derry spend more time and more money closer to home supporting local businesses.

RCN believes the Department of Education should be supported with funding to address the digital divide that has had such a detrimental impact on low-income families in the past year. The Department should undertake a scheme to ensure no child is left behind by providing laptops, and where required wi-fi dongles to allow children and young people to get online. The pandemic has effectively removed the right to education from many of these children and young people.

Advice services need to be fully resourced and funded as we move into Covid recovery and deal with the impacts of the new Brexit arrangements. In the Draft Budget document paragraphs 2.1 and 2.2 refer to an economic downturn and recovery process. Job losses, industrial changes and financial hardship mean that these services need to be available to people in rural areas.

Rural Transport Services need to be supported and maintained. In this new financial year as we emerge from Covid, many rural transport schemes will find it difficult to carry enough passengers to make their services viable, with the cancellation of social events, restricted passenger numbers and reduced hospital appointments. However, as seen during the pandemic, transport providers can be used to bring support and food to vulnerable people and to help coordinate emergency responses in remote rural communities.

The Tackling Rural Poverty and Social Isolation scheme provides an important source of investment to meet the needs of vulnerable people in rural communities. It is delivered by DAERA in partnership with a range of community and voluntary organisations and should be retained and, if possible, enhanced.

Are there services we should stop or reduce?

The Executive should stop meeting the costs for Air Passenger Duty.

Are there ways of raising revenue?

We believe there are ways of saving revenue, providing stability to the community and voluntary sector and addressing long term disadvantage in areas which have seen little by way of economic or social development. We believe Departments should look to the creation of circular economies – where wealth generated locally is spent locally thus sustaining and supporting local communities. RCN would propose the development of community endowment packages and/or community wealth funds with support from the Dormant Accounts Fund, private investments and charitable funders to make long term investments in communities which face multiple disadvantages. Such projects are gaining momentum with government investments, private sector giving, charitable funders and other investments working together to deliver sizeable endowments (Wealth funds). We believe locally led economic, social and environmental development projects build the capacity to develop and deliver the activities, services and facilities needed to improve their areas. We know that provision designed and delivered or commissioned by local residents has much greater traction than that parachuted in because, from the start, there is a strong local commitment to making it a success. Access to a long-term investment in the form of a Community Wealth Fund would provide funding for the development of “social infrastructure” in those areas which currently lack it.

For us, social infrastructure encompasses spaces and places for communities to meet, mobilise and develop new community assets: community-owned housing, health centres, childcare services, shops, swimming pools and businesses. It requires micro-investment in community development support and activities which bring people together and provide social glue such as walking clubs. It encompasses “bonding” and “bridging” social capital.

How can we reduce demand for services?

Social prescribing and other community-based health service interventions will reduce pressure on many primary care health services. Attention needs to be paid to the stark health inequalities that were made more apparent by the pandemic. These need to be urgently addressed.

The Executive needs to address the failures in social security policy. The failed agenda of the Conservative “welfare reform” policy has been further exposed by the pandemic – provide a minimum income threshold and living wage. The Community and Voluntary sector and health services are picking up the pieces of left behind by “welfare reform” with rising levels of poverty, child poverty, hunger and debt.

How do we balance public sector pay against other priorities?

Have you any other views for discussion?

RCN agrees with the Minister's hope that this is a one-year budget that acts as a bridge to a multi-year budget which will allow the Executive to properly re-prioritise its spending and plan for the longer term. The need for the NI Executive to return up to £300M to the UK Treasury which has received much media attention highlights the importance of multi-year budgeting. Whilst this, relatively speaking, is a small percentage of the NI block grant we should still be seeking to maximise, as far as possible, any funding we receive when there are so many competing demands on the public purse.

RCN is concerned about the limited operation of the UK Shared Prosperity Fund in 2021-22. The UK government has resiled from its often-repeated commitment since the Brexit referendum to ensure that the devolved administrations would receive at least the same level of funding as they received from EU Structural Funds. It is also extremely disappointing that the UK government is retaining control over how UKSPF is spent instead of respecting the role of devolved administrations to set their own priorities. Our understanding is that DAERA will shortly release their Rural Development Policy Framework for public consultation. RCN is particularly concerned as to how the UK Shared Prosperity Fund will impact on the scope and scale of the Rural Development Policy Framework.

Shared Island funding from Republic of Ireland is an attempt to support the interdependence of the region – what plans are being made by the NI Executive/UK government to support this investment?

The potential Brexit represents for the introduction of obstacles to cross-border cooperation due to regulatory barriers, as well as the loss of dedicated streams of funding, have been among the concerns raised repeatedly by the Centre for Cross Border Studies and the North South East West Ad hoc Group over the past number of years. Some of those concerns are summarised as follows:

“Crucially, through the United Kingdom’s and the Republic of Ireland’s EU membership, the European Union’s legal regime has profoundly shaped the practical possibility for cross-border cooperation. As such, cross-border cooperation is neither simply a specific feature of Northern Ireland’s peace agreement, nor is it one of regional devolution. Instead, it is a phenomenon of multilevel governance, equally embedded in the UK’s internal constitutional arrangements, in the arrangements made by the 1998 international Belfast/Good Friday Agreement, and in wider EU law. By de-coupling Northern Ireland from EU legislation and policy (while these continue to apply to the Republic of Ireland), Brexit creates a major challenge to the conditions for, and the practice of, cross- border cooperation”.

How will this budget take account of the loss of investment from EU funds for border regions and ensure they do not fall behind as a result? RCN is concerned that these areas are already

marginalised, rural and peripheral to decision making and could easily become further disadvantaged if a dedicated policy and fund is not put in place to support them following Brexit.