



Housing Policy Forum

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## **Welfare reform Bill (Northern Ireland)**

The Housing Policy Forum (HPF) is an open network of voluntary sector organisations that have an interest in housing legislation and policy. The HPF aims to enhance the capacity of the voluntary and community sector to make policy responses and influence policy development in housing and homelessness.

HPF representation consists of core housing and homelessness organisations working in the Community & Voluntary sector throughout Northern Ireland. Membership includes: Council for the Homeless NI, Chartered Institute of Housing, De Paul Ireland, First Housing, Housing Rights Service, NICVA, NI Federation of Housing Associations, Shelter NI, and the Simon Community NI.

This response is informed by our collective knowledge and expertise as housing professionals and frontline practitioners working directly with individuals and families on low incomes and in vulnerable circumstances.

### **Introduction and general comments**

The HPF welcomes this opportunity to consult on the Welfare Reform Bill and the intention of the Westminster Government to make the Welfare System simpler, more efficient and to support people to return to work. However, the Welfare Reform Bill proposes a fundamental structural change to the Welfare System which we are concerned may disproportionately impact on homeless people. We also believe that the Welfare Reform Bill will result in major changes to the housing system in Northern Ireland with housing policy having to adapt to mirror welfare policy. This may not necessarily generate the best possible housing outcomes in the long-term. There is a real risk that housing policy and practice has not moved at the same pace as the welfare changes and that the solutions that are needed to manage and mitigate the impact of welfare reform are not currently in place.

We also believe a number of provisions in the Bill and their supporting regulations could lead to an increase in homelessness in Northern Ireland, as has been acknowledged by the DWP in relation to England<sup>1</sup>. It should be noted that homelessness presentations have risen in England by 18% on the previous year<sup>2</sup>.

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<sup>1</sup> DWP. *Impact Assessment, Housing Benefit*, 16-02-2011. <http://www.dwp.gov.uk/publications/impact-assessments/equality-impact-assessments/2011/>

<sup>2</sup> source: Shelter [http://england.shelter.org.uk/news/march\\_2012/homelessness\\_up\\_18](http://england.shelter.org.uk/news/march_2012/homelessness_up_18)

Monthly payments of Universal Credit in arrears, the disparity between appropriately sized Social Housing stock and the determination of the appropriate maximum housing cost, increased sanctions for non-compliance and a reduction in the number of claimants eligible for PIP, will all impact on the ability of vulnerable people to access and maintain affordable housing.

While we agree that those who are capable of working should be supported to do so, many homeless people are distant from the workplace due to their complex needs. Consideration must be given to understanding these barriers, ensuring sanctions are sensitively applied, and do not lead to a further destabilisation of vulnerable individuals' return to or maintenance of independence in the community.

Failure to address these complexities of need, by investing in comprehensive advice and assistance, may mean the cost to the public sector (in terms of health, criminal justice, and temporary accommodation) is greater than the savings from benefit changes.

The HPF acknowledges the need to retain parity, but believes that where possible, due to a number of particular circumstances, the NI legislation should be amended. We would also urge operational flexibility in terms of payment schedules, direct payments to landlords on request, and split payments as highlighted by Minister McCausland.

### **Key concerns**

- Most of the changes will take place through regulation. It is our understanding that there is no legal duty to consult on these, and there will be no provision for debate or amendment once the Bill is passed. We would therefore ask that the GB regulations be scrutinised as part of the Committee Stage and that amendments in regard to Housing Benefit changes be made in the body of the Bill.
- We welcome universal credit in principle but are concerned about how it will work in practice. We believe that it may in actuality be a very complex new because of the many elements it contains making it difficult to administer and deliver.
- The housing costs element of Universal Credit must reflect real housing costs. The move from RPI to CPI will result in reduced availability of affordable Private Rented Sector accommodation and increased homelessness. The DWP estimate that CPI will rise by 2% a year and rent by 4%<sup>1</sup>.

- The benefit cap should not be applied to those living in temporary accommodation. This will be more easily achieved if, as is proposed in England and Wales, housing costs are removed from Universal Credit for all those living in supported housing to be administered separately.

## Specific issues

### (a) Universal Credit

- Many homeless people have difficulties in both accessing online technology or in using it. Sufficient alternate means of application must be provided for vulnerable people, as well as support and training.
- The need to provide all requested documentation before a claim is accepted, rather than use the date of engagement as a starting point has particular relevance for those in temporary accommodation. Often homeless people have lost documentary evidence, National Insurance Numbers, Birth and similar Certificates. It is likely this population will be more disadvantaged if the impact of homelessness in this area is not recognised.
- **Suggested Amendment:** That nominated third party verification can be considered in the first instance to activate a claim, while supporting documentation is collected.
- It is difficult for those living in temporary accommodation to open a bank account. This is particularly difficult for individuals with mental health or addiction problems. Steps must be taken by Government on behalf of these individuals to ensure equal access to banking products that will allow the deposit and withdrawal of Universal Credit by *all* claimants.
- Monthly payments of Universal Credit are likely to cause hardship to homeless people with chaotic lives. Weekly budgeting can be problematic for those with addictions or mental health issues. We recommend that, at the very least, claimants are proactively risk assessed and that there is provision for claimants with low financial capacity to be paid weekly.

### (b) Determination of the Maximum Amount

This clause (69) indicates that the Department will bring forward regulations that will introduce size criteria into the amount of benefit allowed for housing costs. In many cases this will have significant impact on tenants' ability to pay their rent. Initial

indications are that this will have an adverse impact on approximately 6500 housing association tenants who will have to pay an additional £9.00 per week if under occupying their home by one bedroom or £17.00 per week if under occupying by 2 or more bedrooms.

The reduction in benefit will bring financial hardship to many families who are already experiencing shortfalls elsewhere in their income. We have strong concerns that many tenants may be penalised by having their benefit reduced without being able to address this by moving to a smaller home because of the lack of suitable accommodation.

We would ask that consideration be given to

- Exempt disabled people living in social housing properties specifically adapted for their needs
- Take account of the local housing market and ensure that those who cannot move to smaller accommodation in their local community are not penalised by a reduction in their housing costs under Universal Credit
- Phase in this part of the Bill to enable social housing allocation policies and new provision to reflect the size of households being accommodated in social housing

### **(c) Extended Payments**

1.1 The Welfare Reform Bill does not allow for housing costs run-ons, also known as extended payments, when claimants start work. Under the current system housing benefit (or support for mortgage interest) continues for four weeks after an individual has found employment which helps claimants to transition from benefits to wages. We already know that the universal credit regulations being drafted in Westminster plan to abolish extended payments. HPF believes that the decision to abolish the current system of extended payments contradicts the government's objective of improving incentives for the long-term unemployed to take up work. Given the high levels of long-term unemployment in Northern Ireland the Assembly may wish to consider continuing extended payments upon the introduction of universal credit and write this provision into the Bill.

**Suggested amendment**

Clause 11 (5) Regulations may: (c) provide for housing costs to continue for a period of four weeks after a claimant has found employment

**(d) Exempt Accommodation**

Supported housing is vitally important for many vulnerable people in Northern Ireland and changes to how housing benefit is administered and paid could have significant impacts on the accommodation and services that are available to them. The Housing Policy Forum welcomes DWP's decision to remove the housing costs for supported housing from universal credit as it recognises the higher costs for this form of accommodation and the need for greater flexibility in providing support to tenants. However, this does still leave a number of issues to be worked out in relation to supported housing. For example, will removing these housing costs from universal credit mean that they are no longer demand-led and therefore mean a reduced pot of money if claimant numbers increase in the future.

8.1.2 We would suggest that a working group of supported housing providers and representatives is set up to work with officials in the Social Security Agency on how housing costs for exempted accommodation are to be managed within the new benefits context.

**Conclusion**

The HPF are concerned to ensure that housing remains high on the agenda and is an integral part of on-going deliberations on the Welfare Reform Bill. We wish to work in partnership with Government to make certain changes to the Welfare System are adapted and modified to reflect the particular circumstances of Northern Ireland .

