

Dr Kevin Pelan
Clerk, Committee for Social Development
Room 412
Parliament Buildings
Ballymiscaw
Stormont
Belfast BT4 3XX

19th October 2012

Dear Dr Pelan

Welfare Reform Bill

Thank you for inviting the Northern Ireland Housing Council to comment on the Welfare Reform Bill.

Unfortunately, due to the limited timescale for responding, the Housing Council was unable to have an opportunity to debate the Bill or prepare a response to each clause of the legislation.

This response therefore is a summary of the main issues of concern for the Housing Council based on discussions at previous Meetings.

Members' main areas for concerns are as follows:

- **Universal Credit and direct payment to tenants**

The introduction of Universal Credit, paid monthly in arrears directly to those on benefits, raises concern with regard to the ability of families and individuals to budget their income and manage household expenses. This is a retrograde step in terms of the management of Housing Benefit and rent collection for Public Sector landlords.

Furthermore, it is understood that where the total benefit has to be capped, the Housing Benefit amount will be the sum adjusted downwards.

Members have also highlighted an anomaly unique to Northern Ireland with regard to the Equality legislation where difficulties may arise where a public sector tenant, in financial hardship, has the rent on their property reduced, whereas there is no reduction on the rent of a property occupied by a tenant who is in a position to pay.

The Housing Council strongly recommends that consideration is given to the viability to pay the housing component of Universal Credit direct to landlords.

- **Under-occupancy in properties**

One of the major changes in the Welfare Reform Bill will affect people under 35 receiving the shared room rate, with the potential to lose between £20 and £40 per week in benefit. This change may also affect some of the most vulnerable in society who may be unable to remain in their private accommodation, and, as a consequence, may find themselves homeless.

Housing Benefit changes will also affect those people, below pensionable age, under-occupying their homes. There is the potential for these people to lose between £7 and £14 per week in Housing Benefit. Given that 40,000 tenants could potentially be affected by these changes, this could have a significant effect on the level of debt for rent charges.

This will impact on the demand for suitable, affordable housing in both the public and private sector. More funding will need to be made available for the provision of more affordable housing.

- **Administration of the Universal Credit**

The Housing Council feels that it is vital to ensure that tenants receive as much information as possible on the implications of the proposed reforms at the earliest opportunity.

With regard to the administration and the complexities of Universal Credit and the proposals for the system to be administered by the Social Security Agency, Members expressed concern about the potential lack of experience of SSA staff in the assessment of Housing Benefit. Also this will have a significant impact on staff resources.

The Housing Council are also concerned about the 20,000 public sector tenants who pay full rent as there is no indication as to how the reforms and the continuing economic crisis in Northern Ireland will affect them.

- **New Build Programme for Social Housing**

Members have expressed concern regarding the potential increase in demand for social and affordable housing in Northern Ireland. Waiting lists are already at their highest level since the 1970's and the indications are that the implications from Welfare Reform will increase the demand especially for smaller units of accommodation.

Caution must be taken however, if the new build programme concentrated on building smaller units of accommodation, this could potentially lead to a legacy of problems in future years as cycles of housing need change.

The Housing Council receives regular updates from the Housing Executive on the proposed Welfare Reform Bill. During the next 3 months the Housing Council's sub-committees will be focusing on the implications of the new legislation for the people of Northern Ireland.

Representatives from the Housing Council have joined the Housing Executive's Working Group to analyse the proposals and the implications of the introduction of the Welfare Reform for housing in Northern Ireland. Members' views will be fed back through this forum on a regular basis.

The Housing Council requests that their views and concerns are passed on to the Committee for Social Development for Committee as part of this consultation.

Yours sincerely

A handwritten signature in black ink that reads "C. James Brown". The signature is written in a cursive style with a large, stylized initial 'C'.

J Brown
Chairman
Northern Ireland Housing Council