



Response to Consultation

Date: 19 October 2012
Consultation: Northern Ireland Welfare Reform Bill

Introduction

The Northern Ireland Federation of Housing Associations (NIFHA) represents registered and non-registered housing associations in Northern Ireland. Collectively, our members provide around 36,000 good quality, affordable homes for renting or equity sharing, as well as a wide range of community services. In 2010/11 registered housing associations developed a record number of social homes, with 2418 starts, and enabled almost 500 households to part-buy a home. Further information is available at www.nifha.org

NIFHA welcomes the opportunity to respond to the Welfare Reform Bill as introduced in Northern Ireland. We support the over-arching objectives of the legislation to simplify the benefits system and provide stronger incentives for people to move from welfare to work. However we also believe that many of the specific measures in the legislation are unfair and could cause major problems for vulnerable people and those on low incomes. Below we set out our concerns on specific clauses in the Bill, including those on housing costs, size criterion, discretionary payments and information sharing.

We recognise that much of the detail of the legislation is intended to be set out in the subsequent regulations. 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.

Part 1 Entitlement and Awards Clause 11 Housing Costs

Clarity on extent of housing costs covered

The clause outlines that housing costs covered could be in the form of rent, mortgage costs or other housing-related costs. Clarity is needed within this clause and the subsequent regulations with respect the definition of rent and what may be included as part of housing costs. In particular the legislation needs to reflect the fact that service charges are a significant element of housing association tenants' overall housing costs.

Extended payments

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. NIFHA 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.

Clause 11 (5) should be amended to allow for regulations to provide for housing costs to continue for a period of four weeks after a claimant has found employment

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. NIFHA 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?

We endorse the Housing Policy Forum's call for a working group of supported housing providers and representatives to be 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.

Part 3 Other Benefit Changes

Clause 69 Housing Benefit Determination of Appropriate Maximum

This clause 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; and
- 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

Clause 70 Ending of Discretionary Payments

We welcome the research undertaken to inform decisions with respect to a replacement scheme for future discretionary support services in Northern Ireland and we hope the suggestions made in our consultation response are reflected in the regulations.

The proposed increase in the discretionary housing payments budget to £3.4m is acknowledged, and we hope this will be of assistance to tenants in the social housing sector. However, the financial effects of the size restrictions in the social sector introduced by the Bill will result in benefit savings – and therefore lost income to tenants – of £15.51m during the same period. We therefore anticipate that there will be severe pressure on the comparatively small budget allocated to support these changes, and that this budget may need to be increased.

Part 5 Social Security General

Clause 116 Information Sharing in Relation to the Provision of Overnight Care

NIFHA welcomes that people with disabilities that require an overnight carer will be allowed the facility of an extra room (we assume bedroom) for use by a non resident carer or team of carers. However the wording suggests that NIHE housing benefit teams will receive information that will allow them to assess this. Does this mean that NIHE will retain all or part of the responsibility for the assessment of housing costs in cases of this type?

Housing associations should be added to this list as a 'relevant body' in sub-section (8).

This would enable full consideration to be given to the vulnerable tenant's welfare and benefits, allowing housing associations to provide appropriate support to these tenants.

Clause 117 Information Sharing in Relation to Welfare Services

Housing providers are a vital source of support and advice to their tenants on these welfare reforms. They need accurate real-time benefit information to assess which tenants will be affected by the changes to provide appropriate help, as well mitigate the risks to their revenue.

Housing associations should be added to the list of 'qualifying persons' in subsection 7 of this clause to allow a more effective welfare, housing and benefits service to be provided to tenants.

The sharing of appropriate information between housing associations, Supporting People and housing benefit teams would enable a joined up approach to be applied to individual tenants' needs.

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