

Our Ref: MW/ES

18th October, 2012

Committee Clerk,
Room 412 Parliament Buildings,
Ballymiscaw,
Stormont,
BELFAST.
BT4 3XX

Dear Sir/Madam,

RE: Welfare Reform Bill

I refer to the above and am pleased to offer some comments and observations on the proposed Policy proposals presented by the Department following the presentation of the Welfare Reform Bill and its passage through the Northern Ireland Assembly; the comments have been prepared following discussions within the Supporting Communities NI staff team, the Housing Community Network and also with our partners in community organisations across N.I.

Supporting Communities NI (S.C.N.I.) is an independent charitable organisation which champions community participation by developing groups, supporting active citizenship and building cohesive communities. At the same time, and in partnership with the NI Housing Executive, S.C.N.I. supports and facilitates the Housing Community Network which was formed in response to the need for housing and related policies to be developed with and on behalf of local communities. S.C.N.I. works with the Housing Executive, Housing Associations and other organisations in the monitor and scrutiny of the delivery of housing and related services.

S.C.N.I. and members of the tenants and community representatives have considered the principal proposals of the Welfare Reform Bill at Housing Community Network Area and District meetings and the comments attached reflect many of the concerns expressed by community representatives during those considerations.

The attached comments have been prepared and are presented in line with the proposals in the published Bill and have been restricted to those areas which S.C.N.I. and the Housing Community Network has a specific and direct concern.

In general, the governments welfare reform agenda finds little or no support from community representatives involved in the Housing Community Network; whilst there may be some support for any attempt to make the system of income maintenance less complicated and more accessible for claimants, the general feeling is that the proposals in the Bill reflect only a desire to impose significant cuts in the overall welfare budget. The general feeling is that these proposals will have a negative impact on low and fixed income households and the most vulnerable members of our community, particularly given the emphasis on an overall cap on a claimants entitlement; some representatives have gone further and expressed the view that these proposals rather than better tackle poverty will actually be damaging to family and community life.

That said, we have attached more specific comments and observations on sections of the Welfare Reform Bill as presented.

I hope the committee finds these observations and comments helpful.

Yours Faithfully,
For SUPPORTING COMMUNITIES NI

Murray Watt,
Policy and Information Officer

Enc.

UNIVERSAL CREDIT

General

Whilst it is recognised that the explicit central theme of the Bill is to simplify the current system of income maintenance, it is believed that the proposals go too far and as an over-simplification will present difficulties for those accessing existing benefits and new and subsequent claimants. Community representatives have also expressed grave concerns around the transition period between the existing and current framework and the introduction of Universal Credit. It is apparent that many people are as yet not fully aware of the changes to their entitlements but also to the method, means and schedule of payments.

There is particular concern around the introduction of a system which carries the presumption of a predominantly online self-service claims process and for a system of payment of entitlements that is dependent on claimants having bank accounts. It is believed that the administration of the system renders it more complicated and less accessible to those most in need. Access to the internet and to online banking is still restricted and still largely excludes many low-income, disadvantaged and vulnerable households. There is a pressing and urgent need for greater assistance to be made available to those households and in particular to those more vulnerable claimants to fully explain the changes and to ensure no source of income or support is lost in transition.

Concern has also been expressed at the proposed scheduling of payments and that many low and fixed-income households have particular budgeting needs and requirements it is believed that in the rush to simplify the system, the needs of such households have not been considered or have been disregarded. We would urge the Committee to be mindful of these needs in their consideration of the impact of these proposals.

Capping of Entitlements

Concern has also been expressed at the inclusion of all benefits, and particularly the housing allowance element, in a single capped payment. Housing Community Network members are concerned about the introduction of an overall benefits cap (covering all tenures) mainly because the majority of households affected by this policy will have children. Indeed, members expressed concern that larger families with several children who require larger accommodation (and consequently higher Housing Benefit) will be affected the most. It is estimated that the rates for a couple/family will be capped at £500 per week. It has been noted that it is estimated that the cap will affect less than 1% of benefits claimants locally; however the impact on those affected is likely to be significant. In Britain, it is estimated that 50,000 claimants will be affected with an average loss of £93.00 per week. Those most affected will have four or more children. We fear that the loss of income could drive Northern Ireland children, whose parents are in receipt of benefits, deeper into poverty and potentially into homelessness. We are also concerned that the potential differential impact of these changes has not been fully considered within the context of Section 75 of the Northern Ireland Act.

Housing Benefit Cap- Public and Social Rented Sectors

Community and tenants representatives have expressed the gravest concern at the proposals to reduce the entitlement of housing benefit based on the premise of 'under-occupancy'. It is

believed that this measure will put in place undue hardship on individuals and households, either in terms of hardship or by placing undue impetus on the household to leave their home and seek alternative and smaller accommodation, which may not be available either of a nature or in an area of the claimants choosing.

There may be some sympathy with the desire to better match accommodation size to households needs; it is the view of community representatives that this is not the appropriate mechanism with which to provide that impetus. Indeed it has been postulated that a claimant in their fifties who may or may not have had adaptations to their home as a result of their own circumstances will receive significantly reduced housing benefit or will have to seek other alternative and potentially less suitable accommodation. It is believed that quite apart from being arbitrary and draconian this measure has not been fully considered in terms of its differential impact across Section 75 groups.

There are a number of other key impacts which have not been fully considered and some of these can be illustrated;

Claimants who are the non-primary carer, e.g. a father who has separated or divorced from their partner or spouse will be unable to exercise their right of access to their family as a result of having to move to single room accommodation as they cannot accommodate their children overnight; neither is it appropriate that a person in such circumstances should be forced to pay additional sums as a result of housing allowance capping, just to have access to family life. Community and tenants representatives believe it is quite wrong to impose such a cap in such circumstances.

Similarly a person with disabilities who does not necessarily require continual personal support will be unable to access overnight support when required as the requisite room would not be available.

It is widely held that tenants in the public and social rented sectors occupy accommodation to which they are entitled having been allocated that property through the housing selection scheme; the subsequent imposition of a cap on housing benefit on the basis of a 'supposed' under-occupancy is unduly harsh and unfair. The committee should also be mindful of the fact that peoples housing choices are frequently limited by availability and the area of choice, the need to be close to family and others to receive or provide support or care and the limitations imposed by a segregated housing market.

In any case, it is difficult to envisage how the public and social rented sectors could, if required, facilitate and expedite the allocation and transfer of tenants from 'under-occupancy' which will follow the capping of housing benefit.

The Committee should also consider the differential impact of this proposal between those of a working age and those of pensionable age and a potential conflict with the legal duties and obligations on the Department under Section 75 and its own equality Scheme.

Direct Payments

Community and tenants representatives also echo the concerns which have been expressed around the ending of direct payment of housing benefit to landlords. Direct payments to landlords has provided an opportunity for households in fixed and low incomes to safeguard

rent payments in the context of demandingly tight household budgets. It is not believed that government has fully considered the impact on such households by ending such direct payments and including housing allowances in Universal Credit.

The combination of the welfare reform proposals and the economic downturn, along with increasing household costs for fuel and food, will have a serious impact on those households already vulnerable in the labour market. The ability to provide a tight leash on household expenditure in such circumstances will not be assisted by the ending of direct payments to landlords. The committee should consider how government can provide greater support and assistance, not increase the burdens and challenges on vulnerable and disadvantaged households.