



**Briefing for Social Development Committee
25 October 2012**

Introduction

The Housing Executive welcomes the invitation to make a submission to the Committee. This Bill represents an important piece of legislation for Northern Ireland which will significantly change the welfare reform system and have an impact on social housing in Northern Ireland.

We are aware that the Bill deals with the creation of Universal Credit, the replacement of Disability Living allowance with Personal Independence Payments, the reform of the Social Fund, Housing Benefit reforms, the benefit cap; and conditionality and sanction powers.

While this submission deals with the impact of the changes to Housing Benefit on social sector tenants in the main, we will also make reference to the impacts on other changes contained in the Bill.

The Housing Executive welcomes the concessions which Minister McCausland has secured for Northern Ireland. These operational flexibilities, particularly the continued direct payment of the housing costs element of Universal Credit to landlords will help to limit the impact on low income tenants, help to avoid rent arrears, with all the implications that can have for claimants and their families and help to prevent increases in homeless presentations.

Department

The Minister has asked the Housing Executive in its role as regional housing authority and also as a landlord to assess the implications of the Welfare Reform Bill on housing services in Northern Ireland.

The Department for Social Development has convened a number of Working Groups which the Housing Executive attends. The Housing Executive has also completed a detailed analysis of the indicative impacts on its applicants, tenants and business activities and is working closely with colleagues in the Department and Housing Associations to review policies and services in the light of the forthcoming reforms. Any changes, for example in the Housing Selection Scheme, will need to be consulted on and agreed and or approved by DSD in due course.

Key Issues

1. Regulations

The Welfare Reform Bill is enabling legislation and much of the detail will be in the regulations which we understand will be grouped into three packages depending on their operational date. NIHE would like to make a more detailed commentary on sight of the Northern Ireland regulations. Nevertheless it is possible to comment on some aspects of the Welfare Reform Bill itself with particular reference to how these may impact on NIHE.

2. Under occupation (Clause 69 Appropriate Maximum Housing Benefit AMHB)

Under-occupation level	Singles	Couples	Family	Totals
1 bedrooms	9,215	601	9,034	18,850
2 or more bedrooms	5,415	1,047	856	7,318
Totals	14,630	1,648	9,890	26,168

The table above shows that a substantial number of NIHE tenants (26,168) will be affected by the under-occupation rule. This represents around 60% of all NIHE tenants of Working Age claiming Housing Benefit. Of these, over

7,000 are under-occupying by more than one bedroom and would incur the higher restriction.

We are aware that the Minister is still discussing flexibilities in Northern Ireland with Lord Freud but the Housing Executive is also considering the ways in which we can mitigate under occupation for our tenants.

We are also aware that Discretionary Housing Payment is set to increase from £3.4 to £6.9million. The increase will be primarily used to help offset the impact of the under occupation rules.

3. Vulnerabilities

Significant changes will arise as a result of the personal independence payments in Part 4 and Chapter 4 which will influence overall levels of personal/ family finance in relation to households with disabled people. While other disability related benefits are not intended to be used for housing costs any reduction in housing benefit will impact on the overall usage of family income. The additional costs of living with disability are well documented.

The administration and targeting of a range of services, including DFG grants where eligibility is determined by passport benefits will require new arrangements. It may prove challenging to identify specific benefit strands within the combined universal credit system.

While older people will be exempt from these changes, it is difficult to see how inequalities in housing services for disabled people might not arise as a result of the introduction of welfare reform legislation and in particular deductions in housing benefit resulting from under occupation. While the House of Lords debate of the 15th October 2012 makes reference to the use of discretionary payments, there is real concern regarding the adequacy and sustainability of such provision.

We are still awaiting details on the households affected by the Benefit Cap which will be implemented through a deduction from the award of Housing Benefit from April 2013. When the information is available we will be able to model the impact.

Part 5: Sanctions

The Bill introduces a new civil penalty for giving false information to be administered by the Housing Executive. There could be significant costs in administering such Civil Penalties. The word “negligently” is used in relation to making an incorrect statement or giving incorrect information. This is a very subjective term and could lead to inconsistent decision-making.