

## **Representation to the Social Security Advisory**

### **Committee 17 June 2011**

#### **The Housing Benefit (Amendment) Regulations 2011**

##### **Introduction**

Housing Rights Service welcomes the opportunity to provide written views to the Social Security Advisory Committee evidence on the latest cut to the Housing Benefit budget. The Housing Benefit (Amendment) Regulations 2011 will change the definition of a “young individual” for housing benefit purposes, so that it would in future cover people under the age of 35, rather than 25 as it does now. The effect would be to limit the award of Housing Benefit for single people up to age 35 to the shared accommodation rate. We appreciate that these draft regulations will amend the definition in England. However, given the long-standing policy of parity in social security legislation in Northern Ireland Housing Rights Service believes there is value in contributing to this consultation.

##### **General Comments**

From January 2012, the Government intends to extend the Shared Room Rate to claimants under the age of 35. In Northern Ireland 5892 people will be initially affected, with the average loss being calculated at £24.50 per week<sup>1</sup>. In other words, from January 2012 single claimants aged 25 – 35 will receive the Local Housing Allowance Rate for a Shared Room (on average of around £40.00 a week) irrespective of the size of the property occupied. A survey of 500 Smartmove

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<sup>1</sup> Northern Ireland Housing Executive: summary of Proposed Changes to Housing Benefit, April 2011

tenancies, managed by First Housing found that 62%<sup>2</sup> of their tenants were under 35 and will be potentially hit by shortfalls.

This regulation currently applies to under 25s and has caused considerable hardship. In our experience “young people” are unable to secure or sustain affordable accommodation and are left facing shortfalls, arrears and homelessness. In our experience the major issue facing private rented sector tenants is affordability. In 2010/11 Housing Rights Service received approximately 900 calls, from individuals, aged under 25, who privately rent accommodation. Our records indicate that 30%<sup>3</sup> of their queries related to affordability matters involving rent and Notices to quit.

It is our view that households and individuals often present a number of complex and varied circumstances and that this measure fails to appreciate this. The people already affected by the Shared Room Rate already are:

- those who lose their jobs or need temporary financial help to keep their homes
- those who are in work but on very low incomes
- those who are incapacitated and unable to work
- vulnerable groups; and
- separated parents being unable to retain access to their children because they live in shared accommodation.

7,736<sup>4</sup> people currently claim the Shared Room Rate in Northern Ireland and the introduction of this measure will almost double the number of people affected.

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<sup>2</sup> Figures quoted in letter from Voluntary Sector Housing Policy Forum to newly elected NI MLAs: May 2011

<sup>3</sup> Housing Rights Service: Advice Pro Statistical Report: 2010/11

<sup>4</sup> Figure made available by Northern Ireland Housing Executive: Telephone call: 16 June 2011

## Northern Ireland context

Any proposal to remove or lessen entitlement to social security assistance must be considered in a Northern Ireland context. Housing Benefit arrangements in Northern Ireland are different from those in the rest of Great Britain. There is no equivalent to Rent Officers; instead all arrangements are made by the Northern Ireland Housing Executive (NIHE). Local Housing Allowance is also administered differently in Northern Ireland, with the continuation of direct benefit payments to landlords. The Government has argued that claimants will be able to negotiate a lowering of rents by allowing payments to be made directly to landlords. However, this will not be the case for most claimants in Northern Ireland as direct payment's to landlords is already common practice.

Northern Ireland has a particularly high proportion of mental health issues per head of population<sup>5</sup> with 8.6% of the working age population are receiving Incapacity Benefit compared with 5.2% in Britain. Shared accommodation for this vulnerable group can be particularly inappropriate and can in fact exacerbate any mental health problems that may exist.

Economic forecasts also suggest that recovery from the recession in Northern Ireland may not begin until 2012. We caution against introducing this measure, the impact of which will be felt even more at an extremely volatile time during this period of economic uncertainty.

It is well documented that the private rented sector plays an increasingly important role in meeting housing need in Northern Ireland, for those who would normally buy and also those who traditionally relied on the social housing sector. The private rented sector now occupies around 19% of the housing market in Northern Ireland and is larger than the social housing sector. The Private Rented Sector is therefore often the only housing option for single people, whether they are in work or in receipt of benefits.

Shared accommodation is usually the preserve of students in urban centres such as Belfast, Derry and Coleraine. The Northern Ireland Housing Executive (NIHE) maintains a database of Houses in

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<sup>5</sup> Breakthrough NI – Centre for Social Justice, September 2010 pg15

Multiple Occupation in Northern Ireland. At the end of January 2008 the total number that the NIHE were aware of was 10,152. The Housing Executive estimates that approximately 50 per cent of HMO tenants were students.

In many areas of Northern Ireland, the type of shared accommodation the government is expecting increased numbers of people to live in simply doesn't exist. Rural areas, of which Northern Ireland has many, will be affected potentially driving people into cities away from their families and communities.

### **Key Issues**

If the change comes into effect in January 2012, Housing Rights Service is extremely concerned about the adverse consequences it is going to have; resulting in thousands more experiencing shortfalls, arrears and homelessness.

Non resident parents with over night access to their children are unlikely to be able sustain that access if it will mean their child staying overnight in shared accommodation. Claimants in receipt of the Shared Room Rate are likely to have to share with larger numbers of people with a high turnover of tenants and little or no choice over who to share with. It is therefore very apparent that such arrangements will not be appropriate for children. Furthermore, Housing Rights Service questions the legality of this measure as it arguably incompatible with Article 8 of the Human Rights Act 1998; the Right to respect for private and family life.

Increased numbers of homeless people is very likely including in the worst instances, rough sleeping. It is highly likely that the vast majority of people affected by this change will lose their current accommodation. This will be the reality for many as landlords will be unlikely to accept such a significant reduction in rent and someone on a limited income in the first place will not be in a position to make up such a significant shortfall. Thousands of people currently living in self-contained flats will therefore be forced to seek out shared accommodation.

Apart from the impact on individual, this is extremely costly to the public purse. Evidence based studies <sup>6</sup> suggests that a typical example of homelessness can cost £15,000 to the public purse with a more complex case costing in the region of £83,000.

For those vulnerable people who have been homeless, are leaving supported accommodation, care or prison, sharing is particularly inappropriate and can in fact, exacerbate any mental health problems that may exist.

Currently the only exemptions from the SRR are young care leavers aged under 22 and those who receive the middle or higher rate care component of Disability Living Allowance for people who are severely disabled and need a carer. Therefore, other people with serious disabilities or illness, mental health or behavioural problems or who are vulnerable in other ways will not be exempt. There are great risks associated with expecting people with complex needs to share accommodation, and it needs to be realised that in many instances this is simply not appropriate.

This change will create significant barriers to homeless people under 35 breaking the cycle of homelessness. It will also undo the progress that has been made by formerly homeless people who have now secured private accommodation.

The new regulation will also be applied to thousands of people who have been living and working independently for many years. It effectively means that a single person losing their job will have to find another or face a housing benefit shortfall equivalent to almost half their weekly rent. As a consequence many are likely to lose their existing accommodation. This will lead to both a significant increase in homelessness and will place further pressure on the limited pool of properties available, which in turn will lead to increases in rent for this type of property. Even where accommodation is available claimants, in receipt of Housing Benefit, are already struggling to find an affordable property.

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<sup>6</sup> "How many, how much?" by Crisis (2003) and "Tenancy Failure – how much does it cost" by Scottish Council for Single Homeless (2007)

Also, this policy may increase the number of unregistered Houses in Multiple Occupation at a time when the Executive are introducing powers to actively tackle their prevalence. These can impact on the community and offer poor conditions for tenants – again a major problem particularly those who are vulnerable.

## **Conclusion**

The introduction of this measure will lead to thousands more people in Northern Ireland facing shortfalls, arrears and homelessness.

The availability of shared accommodation and it's appropriateness in particular circumstances, it appears, have been completely overlooked in this measure. We consider the long term direct and indirect costs of introducing this measure to completely outweigh the short term savings that the government expects to make. Housing Rights Service can see no benefit whatsoever and we are very much opposed to this measure.

Housing Rights Service welcomes the opportunity to provide a written representation to the Committee and trust you will find our comments helpful. If the Committee requires any further input from Housing Rights Service, we are more than happy to assist.

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*For further information regarding the content of this paper contact Fiona Douglas, Policy Officer (Housing) 028 90245640 email [fionad@housingrights.org.uk](mailto:fionad@housingrights.org.uk) .*

## Appendix 1

Established in 1964, Housing Rights Service is the leading provider of independent specialist housing advice services in Northern Ireland. In 2010-11 we dealt with 28,400 enquiries. We believe that everyone has the right to a decent, safe and affordable home and have been working for over 40 years to help achieve this on behalf of people who are homeless or living in poor housing in Northern Ireland. All our services are delivered throughout Northern Ireland and focus on key areas of preventing homelessness; accessing accommodation; tackling affordability and poor housing conditions. Our services include:

- Providing a housing advice line
- Undertaking advocacy and legal representation on behalf of people with housing problems
- Providing a Mortgage Debt Advice Service
- Providing online advice through [www.housingadviceNI.org](http://www.housingadviceNI.org) including email advice
- Delivering a skills and knowledge based training programme
- Producing information resources materials
- Supporting generalist advice agencies to deliver high quality housing in their local communities
- Providing client based commitment to influence the development of relevant public policy and legislation

Housing Rights Service works to achieve positive change by protecting and promoting the rights of people who are in housing need in Northern Ireland.