



**Public Accounts Committee Inquiry into the Auditor General for Wales Report  
'Managing the Impact of Welfare Reform Changes on Social Housing Tenants  
in Wales'**

**TPAS Cymru response**

**1. About Us**

TPAS Cymru works to improve the lives of social housing tenants in both housing and community matters, by promoting effective participation of tenants with their landlords and with other partners in issues that affect them. TPAS Cymru also works to lobby for an adequate supply of decent affordable housing for rent and purchase available, to ensure that people are able to live in the communities that they choose.

**2. Our objectives are to:**

- Promote the well-being of people in socially rented housing
- Engage in the advancement of education for the benefit of people in socially rented housing
- Promote, initiate and develop tenant participation in housing management, training, supply and services
- Advice and assist local authorities, housing associations, housing co-operatives and tenants' associations:
  - To initiate, develop and implement plans and procedures for tenant participation in housing management, training, supply and services and
  - To improve housing management, training, supply and services to better meet the needs of tenants.
- Advice and assist in developing properly accountable and representative tenants' associations.
- Identify the need for training to promote, initiate, develop and carry out training in all matters concerning tenant participation.
- Liaise and develop links with local authorities, housing associations, co-operatives and other housing bodies, tenant associations, government organisations and advice agencies.

**3. This Response is based on:**

- TPAS Cymru's extensive experience of developing and supporting groups and working in local communities.

- Our work to improve partnerships between tenants and residents and their landlords and other partners.
4. TPAS Cymru welcome the opportunity to respond to the Public Accounts Committee Inquiry into managing the impact of Welfare Reform changes on social housing tenants in Wales. As stated above in our objectives Tpas Cymru is not responsible for providing housing to tenants and as such we are not involved directly in the welfare reform changes that are affecting tenants across Wales. However it is clear that the challenges facing social housing providers and tenants currently are some of the most significant that the sector has faced, together with the future uncertainty.

TPAS Cymru has the interest in the welfare of tenants and a commitment to protecting them at the heart of what it does and therefore is very focused on the impact that Welfare Reform is having on those who are most vulnerable in our society. This means that TPAS Cymru are working in partnership to support housing providers where possible. Whilst Welfare reforms are affecting tenants now, there are also serious longer term effects that landlords will be facing in terms of future service provision and the significance of this cannot be overstated.

5. In line with the focus of the Inquiry TPAS Cymru has considered the themes:
- a) Value for money

The Auditor General's report details how the impact has been felt by the main parties involved i.e. Welsh Government, the third sector, local government and housing associations. However it is also clear that these calculations don't include impact on other public/third sector organisations which also need to be taken into account.

There is evidence that there is still much inconsistency going on in approaches to dealing with Welfare Reform and this is demonstrated by key data not being collected and therefore it appears to be difficult to gain a true picture of the current situation and also the challenges ahead if risks are not being correctly identified.

It is clear from feedback from CHC that Housing Associations have invested large sums into communications with tenants such as the Your benefits are changing (YBAC) which is an excellent example of organisations working together in partnership and saving money by sharing costs of communications and ideas. TPAS Cymru supported this initiative and there needs to be more evidence of this type of working in the future.

Housing Associations have responded and restructured and changed their approach due to changes in welfare reform. This is together with the refocus

of their business plans due to changes in financial projections which is being caused by the increasing amount of rent arrears. This has been caused by the spare room subsidy or bedroom tax and this is only the start of the challenges that the sector is facing.

Whilst bedroom tax has presented significant challenges the pilot cases of Universal Credit have just highlighted the immense pressures to social housing providers that the roll out of Universal Credit will bring and the scale of this is currently unknown.

It is clear that there is a greater role for tenants in accessing value of investment of service and quality of services provided. There is little evidence if any of the role that tenants have played to date in the establishment of services set up to deal with welfare reform changes. Landlords are providing services that they have developed themselves without involvement of tenants at every level of decision making and this must change if tenants are to be at centre of this. Clearly tenants who wish to be involved would need full training and support to be able to fully participate and offer potential alternative solutions.

b) Advice and support for tenants

There is mixed evidence of support being offered to tenants, it appears that in general terms social housing providers are stating that they have been doing all that they can to support tenants and yet the report indicates that 68% of tenants are stating that they had not received support from their landlord. There needs to be further investigation and gain more tenant feedback to understand the clear disparity in this area.

There is a potential conflict of interest for a housing provider to give complex money advice to a tenant which could result in decisions being made which means the tenant is unable to pay their rent arrears, e.g. if a Debt relief order or bankruptcy were the most suitable options for the tenant but this means that the debt is written off then the housing provider will be denied their only source of income.

As stated Housing Associations have carried out the campaign of YBAC and advice offered is via financial inclusion and money advice. However only 16% of tenants had heard of it which is disappointing especially when housing providers worked together on this. Clearly it is important to learn lessons from this and find ways in which to improve on communication with tenants and finding the most suitable ways that tenants want to engage with their landlords.

This ties in with the use of IT and the rise of digital inclusion strategies that place access to the internet at the heart of provision. However, there is still a huge gap between social housing tenants surveyed in the report of whom 39% state they have no access to the internet and the drive of current government strategies to deliver welfare reform services through the internet.

This will have particular significance for those affected by Universal Credit as the roll out takes place. This is also coupled with the challenges in more rural areas of access to broadband where digitally excluded tenants will be at even more of a disadvantage. Another major consideration is cost with 43% of tenants saying that this was a barrier to them accessing the internet. More RSL's are looking at alternative ways of providing internet access to their tenants and this is a crucial part of the future delivery of service.

c) Availability and provision of alternative housing and its impact

The evidence is very clear that there are simply not the volume of properties available that are smaller and or in suitable places for tenants to down size into. Currently only 14% have moved and many other tenants do not want to leave long term homes, communities and existing support. However the reality for many tenants is that they are facing increasing challenges in day to day life with fuel poverty, increasing costs of food, utilities and debt caused by being trapped in properties considered too large for their needs with no possible means of moving to smaller accommodation.

Whilst the private rented sector (PRS) is the fastest growing sector a move to the PRS is less secure, risky with overall costs much more. The added challenge of the benefit cap means that this option is in the main not a suitable option for many.

There is also no clear evidence that HA's are considering changing their development programmes and building an increased number of smaller properties so there is no obvious solution to this challenging situation.

d) Preparing for change

As stated there appears to be inconsistency in approaches and evidence reveals that there is much to be done in the coming months. There are challenges around lack of training for staff across DWP, LA's and HA's and that HA's are filling gaps that others are unable to provide. This together with lack of systems in place in terms of knowledge and IT means that there is much work to be done.

There needs to be more opportunities for tenants to be involved in planning and future ways of delivering service provision. It is clear from the feedback from the Universal Credit pilots that very intensive support is required, not only as applications are submitted but on an on-going basis and this will be very resource intensive. Therefore there is a very high risk to sustaining tenancies and there will intense pressure on housing staff to support these tenants whilst also carrying out all other areas of work.

There is evidence that councils are inconsistent and not working together and there is much disparity across different areas. As a number are not collecting key data and identifying risks there are increased challenges as the true

extent of what is to be faced is not clear and therefore very difficult for relevant authorities to truly prepare.

6. Welfare Reform is causing major concern for all those tenants affected by it and there is scope for tenant involvement in terms of monitoring services provided and received needs to be considered. This would need to take place when suitable training had been provided and again would be beneficial if shared opportunities take place. This would give tenants the opportunity to be fully involved in shaping delivery of services and would help housing providers to fully identify the key challenges that tenants are facing and consider alternative solutions.
7. There are numerous examples of landlord support which is positive and supportive to tenants. As the spare room subsidy has been in place for some time tenants and provider have established processes which means that this element of welfare reform is being dealt with effectively. However it is clear that the demand which is being faced under the pilot Universal Credit cases is very intense and that tenants will continue to need support in terms of money management as time goes on. This is further complicated by tenants whose circumstances regularly change and this may require further support. A critical question is how landlords will be able to support the future demands when the use of Universal Credits is scaled up from the initial pilot to being rolled out across all Local Authority areas. Tenants will need individually tailored ongoing money management which may be difficult for providers to deliver due to the conflicting pressures on housing staff.
8. The future landscape is not only challenging but uncertain in particular in light of the upcoming election and the currently unclear policy direction of any future government. Tenants and in particular providers will have to be able to react to changes that take place and in some cases this could require major re planning of service provision.
9. In terms of Equality it appears clear that tenants are receiving a very different level and quality of support depending upon where they live and this is exacerbated by challenges in rural areas. A critical question is how do services remain accessible to all when the drive is for services to be delivered through the internet when a significant proportion of the population do not have access to this type of provision.

## 10. Conclusion

These are challenging and uncertain times for tenants affected by welfare reform and which place significant risk for social housing providers to deliver the services required.

Managing empty homes and rent arrears is costing more than ever and continuing to increase which presents a major risk to providers for whom rent is the only income stream.

Tpas Cymru broadly agree with the report's recommendations in particular for the need for councils and HA's to improve strategic planning and better co-ordinate activity.

However this must be done with tenants at the core of what is being decided, tenants need to be involved at all stages of the decision making processes in terms of deciding how best to provide services, monitor and manage them and ensure that tenant satisfaction is considered, acted upon and truly fed back into future planning. This can take a variety of forms and should be done at all stages of the process, such as tenants being given the skills and knowledge to be able to make informed decisions at strategic levels through to giving feedback as to how things are working on the ground.

However the challenges facing the sector for tenants and providers cannot be overstated and it is clear that working together will be crucial for all partners to ensure that tenants are supported as best they can be and service providers operate in a more co-ordinated way.

Tpas Cymru 29<sup>th</sup> April 2015