

Evidence for the Public Accounts Committee Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales.

About Us

The Community Housing Cymru Group (CHC Group) is the representative body for housing associations and community mutuals in Wales, which are all not-for profit organisations. Our members provide over 158,000 homes and related housing services across Wales. In 2013/14, our members directly employed 8,400 people and spent almost £2bn (directly and indirectly) in the economy, with 81% of this spend retained in Wales. Our members work closely with local government, third sector organisations and the Welsh Government to provide a range of services in communities across Wales.

Our objectives are to:

- Be the leading voice of the social housing sector.
- Promote the social housing sector in Wales.
- Promote the relief of financial hardship through the sector's provision of low cost social housing.
- Provide services, education, training, information, advice and support to members.
- Encourage and facilitate the provision, construction, improvement and management of low cost social housing by housing associations in Wales.

For a long time CHC has foreseen that the planned welfare reform programme will have devastating consequences for communities in Wales. We have campaigned against these proposals and have introduced the Your Benefits Are Changing campaign to mitigate the impact on those communities.

It therefore came as no surprise when a recent WAO report published evidence stating that welfare reform is having an adverse and disproportionate effect in Wales. The report found that a greater proportion of Welsh social housing tenants had had their housing benefit reduced, than elsewhere in the UK, with 51% of tenants reporting an increase in personal debt. This was backed by evidence from social landlords showing a £1.1m increase in rent arrears in the first six months of the bedroom tax.

For some Welsh social housing tenants, the changes to welfare will have created a level of hardship and a spiral of social and economic deprivation that will be hard, if not impossible, to break. This is easier to understand in the context of:

- higher (on average) unemployment than anywhere in the UK
- a heavy reliance on the public sector as an employer
- households paying 5 percent more for electricity than the rest of UK
- higher rates of digital exclusion than other UK regions
- a five-fold increase in the use of foodbanks over the last 2 years
- £4.1m cut in specialist advice services despite increasing need

In response to the information requested by the Public Accounts Committee we have been able to secure 28 responses from our membership:

1. The different approach taken in England to appeals

Community Housing Cymru has discussed with the National Housing Federation what approaches have taken place in England. The use of appeals toolkits have been championed by some housing associations but not all, most noticeably by Coast & Country Housing - www.coastandcountryhousing.org.uk Housing Associations in England have faced similar problems to those in Wales, any successful first tier tribunal decisions are later overturned when the Department of Work & Pensions succeeds in an Upper Tier Tribunal decision. Of the respondents; 16 have previously promoted appealing the bedroom tax/ Removal of the Spare Room Subsidy (RSRS). Of those who have not; 3 support appeals and the rest have worked with Local Authorities to determine the correct information is held within a housing benefit award. Hafod Housing Association actively took part in the Bridgend pilot that brought together housing associations, advice agencies, the Local Authority and bedroom tax campaign groups. They had no response to the campaign. Other organisations felt the pilot helped to seek out those who had been given a deduction but should have been exempt rather than assist in any actual appeals.

There seems little difference in the approaches taken across England & Wales.

2. The number of homes in the rented sector that have been sublet in Wales

From our respondents none were aware of subletting within the Housing Association. It should be noted that if your landlord is a housing association, the criminal offences of unlawful subletting can apply to you if you have a secure, assured, assured shorthold or a demoted assured shorthold tenancy. The offences do not apply to you if live in a shared ownership property where you buy part and rent part of your home. Nor do they apply if you have a family intervention tenancy. Subletting your property is different from taking in a lodger.

We also gathered the following information:

The sector is aware of 7 tenants who have requested and taken in a lodger.

3. The number of people with disabilities affected by the spare room subsidy

Of the 28 respondents only 9 were able to supply this data as they do not keep detailed information on the disabilities of each tenant. Some referred to the Local Authority as the best source of this information as it could be held within a housing benefit award. Of the nine respondents, a total of 388 tenants were disabled. Five respondents were also able to confirm that 42 disabled children lived in a household affected by the bedroom tax / RSRS.

4. Evidence of how housing associations have still not updated their transfer policies to ensure that arrears relate to welfare reform are not a barrier to downsizing.

All respondents agreed that they would allow tenants to downsize / move if arrears were in place and the new property was more suitable to their needs. Three housing associations would require a payment plan of arrears to be in place when the move takes place.