

The Simon Community Northern Ireland welcomes the opportunity to respond to the Social Security Advisory Committee's consultation concerning proposals for the Housing Benefit (Amendment) Regulations 2011 to extend the Housing Benefit shared accommodation rate to people under the age of 35 from January 2012.

### **About the Simon Community Northern Ireland**

Simon Community NI is one of the leading homeless charities in Northern Ireland. We are committed to our vision of 'ending homelessness' and provide accommodation, advice and community support for individuals and families who are threatened with homelessness or who experience homelessness. We recognise that addressing homelessness involves more than providing accommodation and we have developed a range of services to meet other needs associated with being homeless including: Rent and Deposit Bond Scheme, Harm Reduction Service, Homelessness Prevention Programme, Client Representative and Central Access Point; a 24/7 helpline providing advice and support to those who are homeless or at risk of becoming homeless.

### **Introduction**

In principle, we support the Coalition government plans to reform the complexity of the Housing Benefit system, however, several of the measures contained in the Emergency June Budget 2010 and 2010 October Comprehensive Spending Review give cause for concern, in particular, the proposal to change the definition of a 'young individual' from under age 25 to 35, for Housing Benefit purposes. The effect would be to limit the award of Housing Benefit for single people up to age 35 to the shared accommodation rate.

In this response we highlight our concerns regarding the proposed measures and draw attention to specific Northern Ireland issues given the co-ordination of social security arrangements, between Northern Ireland and Great Britain, contained in Section 87 of the Northern Ireland Act 1999, and the unlikelihood that the welfare reform agenda will radically depart from that applied in Britain .

We provide further insight into our position below:

### **The Northern Ireland Context**

Proposals to remove or lessen entitlement to social security assistance must be considered in the Northern Ireland context. Housing Benefit arrangements in Northern Ireland differ notably from those in Great Britain, for example,

- (a) there is no equivalent to Rent Officers; instead all arrangements are made by the Northern Ireland Housing Executive, and
- (b) Local Housing Allowance (LHA) is administered differently with the continuation of direct benefit payments to landlords where the tenant so chooses.

In addition, the recent report by the Centre for Social Justice, '*Breakthrough Northern Ireland*', illustrated the high impact of mental health problems on the population.<sup>1</sup> The

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<sup>1</sup> Centre for Social Justice, *Breakthrough Northern Ireland*, September 2010 pg 15

proportion of the population claiming Disability Living Allowance and Incapacity Benefit in Northern Ireland is significantly higher than in Britain. 8.6% of the working age population are receiving Incapacity Benefit compared with 5.2% in Britain.

## **Key Issues**

### **Availability of accommodation**

We are concerned that:

- (a) this proposal will be more acutely felt in rural areas and small market towns where such shared accommodation simply does not exist, potentially driving people into larger urban areas.
- (b) claimants will struggle to find affordable accommodation, thus placing further pressure on the limited pool of shared accommodation properties already available.
- (c) the potentially poor standard of accommodation that will be available as a result.

Other issues may include problems of access, as moving accommodation has both financial and social implications, e.g. leaving family and community support network.

We believe that those in receipt of LHA should have the opportunity to ‘shop around’ similar to others as LHA was originally introduced to promote choice of accommodation.

Furthermore, this measure alongside the other housing benefit caps may have a knock on effect on the social rented sector as the private rented accommodation becomes harder to access for those on low incomes and the demand for social housing increases.

### **Shortfalls in Rent**

According to the NI Housing Executive, this change will affect around 5000 existing claimants with an estimated weekly reduction of £24.50.<sup>2</sup> As taking effect from the original date of the claim, some applicants may face this change immediately or others at various dates throughout the first year of implementation. Consideration must be given as to whether the proposed changes will have the effect of discriminating unfairly on those affected at the beginning of the process. Furthermore, it is important to understand that not everyone impacted by these recommendations will be in a position to relocate immediately or to review their rent. ‘Having to move to a poorer area, or being unable to move out of one, is the geographical reality of social exclusion’.<sup>3</sup>

Consideration must be given to the current economic climate, with the cost of living steadily increasing and the job market declining. The June 2011 Northern Ireland

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<sup>2</sup> Northern Ireland Housing Executive :summary of Proposed Changes to Housing Benefit, April 2011

<sup>3</sup> Danny Dorling . ‘Poverty’ , Journal of the Child Poverty Action Group, Issue 136 pg 11

Monthly Labour Market Report places the unemployment figure at 61,000 while the economic inactivity rate stands at 27.7%, higher than the UK average rate (23.3%) and is the highest of the twelve UK regions.<sup>4</sup>

We are concerned by the DWP's statement that individuals may be able to renegotiate their rents. It is unlikely that landlords will accept reductions in rental income and that someone on a limited income would be able to make up the rental difference themselves. We are deeply concerned that this measure will lead to an increase in rent arrears and homelessness.

Homelessness is a devolved matter with various policies and strategies throughout the different UK jurisdictions. In Northern Ireland the homelessness strategy is administered by the Northern Ireland Housing Executive, however, all the devolved administrations will have to monitor closely for the impact of this proposal on the level of homelessness locally.

### **Exemptions**

We welcome the decision to establish exemptions from the shared accommodation rate for those in receipt of severe disability premium, local authority and registered housing association tenants, tenants in certain supported accommodation, claimants who have a non-dependant residing with them, claimants under the age of 22 who were formerly in social services care and claimants entitled to an extra bedroom to allow for a non-resident carer.

We are disappointed that these exemptions have not been extended to include vulnerable individuals including former rough sleepers, ex-offenders, individuals with mental disabilities or illnesses and those with shared custody of children. This will have an adverse impact on these individuals for whom shared accommodation is not always appropriate. In particular, those adversely impacted will include individuals who have broken the cycle of homelessness and secured self contained accommodation.

Furthermore, vulnerable people, care leavers and ex prisoners may find that shared accommodation is not suitable for their circumstance or may be harmful to their well being, undermine their recovery and negate the progress they have made.

Parents whose relationship has broken down will struggle to gain access to their children because of their accommodation. We would welcome a holistic approach to family life that recognises established need for care for children. We are also concerned that pregnant women will be required to live in shared accommodation until the birth of their babies when they will then be expected to relocate.

We are concerned that Discretionary Housing Payments (DHPs) will not be sufficient to assist vulnerable people and perform as a protectionary measure. We note that the budget determined for 2011/12 has been increased to £30 million, however, we are concerned as to the longevity of this funding and what additional safeguards will be

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<sup>4</sup> Department of Trade and Investment, NI Monthly Labour Report June 2011

put in place should it run out. We agree with the Social Security Advisory Committee's report on the draft Housing Benefit (Amendment) Regulations 2010 which noted that the increase in DHPs represented around 4% of the total cash losses of the Housing Benefit measures and recommends 'the department review the allocation of DHPs to better reflect the scope and scale of projected impacts across LAs'. In addition, we are concerned that the application of the Barnett Formula will particularly limit the availability of this funding in Northern Ireland. We would welcome further clarification on this matter.

### **Equality Impact Assessment**

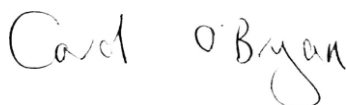
We note the inclusion of an Impact Assessment within this document. We do not agree with the statement that 'these regulations have no impact on the civil society organisations' under the heading of business/local government. We envisage a significant impact upon this sector given the increased work load which will be created by these regulations due to the high levels of rent arrears and homelessness.

In addition, we are concerned that Northern Ireland circumstances have not informed this Impact Assessment. We look forward to the publication of an Equality Impact Assessment under Section 75 of the Northern Ireland Act 1998, by the Department for Social Development NI, to highlight specific Northern Ireland issues.

### **Conclusion:**

Simon Community NI is pleased to respond to the Committee. We trust you will find our comments helpful. If there is any further way in which we can contribute to the consultation process we would welcome the opportunity to do so.

For further information, please contact



Carol O'Bryan  
**Chief Executive**