



Response to Consultation

Date: 19 February 2010
Consultation: Supporting People into Work: the Next Stage of Housing Benefit Reform

Introduction

The Northern Ireland Federation of Housing Associations (NIFHA) represents registered and non-registered housing associations in Northern Ireland. Collectively, our members provide 30,000 good quality, affordable homes for renting or equity sharing. Further information is available at www.nifha.org

Background

The Federation is responding to this GB consultation document because the principle of parity applies to social security benefits in Northern Ireland.

General Comments

The importance of Housing Benefit to recipients and housing associations in Northern Ireland cannot be under-estimated. It enables people on low incomes to afford accommodation of a reasonable standard. Housing associations accommodate people in greatest housing need and about 80% of their rental income derives from tenants' Housing Benefit.

Specific Comments

1. *Do you agree that a Transition into Work Payment will help to ease the move into work?*

NIFHA supports the proposal to introduce a Transition into Work Payment and accepts that it will assist people to move from Housing Benefit to payment of their rent. People incur a number of additional costs when starting work and they may not receive full payment of their wages for a number of weeks. This may have an impact on their ability to meet their living costs, NIFHA anticipates that the Transition into Work Payment would ease the initial financial pressures that returning to work would bring.

2. *What would be the main features of such a scheme to secure maximum impact and minimise risk?*

Housing Benefit claimants moving into the Transition into Work Payment scheme need to be reassured that their claim will be processed in a timely effective way with a minimum of form filling. The movement from Housing Benefit to earnings should not be difficult for the claimant and their income should not fall because of the complexities of the benefits system.

3. *Should we introduce fixed period Housing Benefit awards for those customers in work?*

There are advantages and disadvantages for this proposal but the main disadvantage of this is that it reduces the responsive nature of the Housing Benefit System. The present nature of the Housing Benefit system allows it to respond to changes in circumstances of the claimant soon after they are notified to NIHE, this would mean that even if claimants income was reduced then their case may not be reviewed for a number of months. This may result in financial hardship for the claimant and have implications for rent arrears for housing providers.

Would overpayments be created if the claimant's income increased during the fixed period for Housing Benefit Awards and if so how would these be recovered?

4. *What would be the main features of such a scheme to secure maximum impact whilst avoiding any perverse incentives and minimising risk to those whose income falls significantly?*

A scheme such as this should have a number of safeguards built in prior to it being introduced. These should include case reviews where there are fluctuations in income or any other major change in circumstance. The regulations regarding overpayment creation and recovery would need to be developed and communicated to claimants

5. *What is the level of rent above which it would not be reasonable for the taxpayer to offer support?*

The present system that takes a number of factors into account such as the size of dwelling and other rents in the area for the type of dwelling is appropriate for setting the rent levels that Housing Benefit payments will fund. The current discretionary housing payment provides a mechanism for making top-up payments where necessary and should be maintained.

High rent levels may prevent claimants from entering the workforce, in particular areas, reducing their job mobility if the amount of Housing Benefit contribution towards rent is fixed because of area or national averages.

6. *How should we set benefit rates at an appropriate level so that they reflect the housing choices of other working households not eligible for benefit?*

The benefit rates should be set at a level that reflects the amount of rent that is set per dwelling type and per tenure. The ethos behind Housing Benefits is that homelessness as a result of low income will be prevented and that people will be able to afford to live in a good standard of accommodation. The benefit rates should enable people, on low incomes, to pay their rent either in full or contribute to a part of the payment.

Other working households, not eligible for benefits, have the advantage of having earnings that allow them to meet their housing costs. Their earnings should allow them to have a wider range of housing choices which usually improves as their level of earnings increases.

7. *How could we set benefit rates to reflect different market conditions in different areas?*

There should be a comprehensive rent point system which takes into account area fluctuations in rent levels.

8. *Would excluding the most expensive rents when setting Local Housing Allowance rates result in fairer levels of benefit?*

The dispersion of the levels of rent should be examined to determine if extreme low or high levels of rent are influencing the average rent amounts. This would give a more realistic indication of the average rents in particular areas.

9. *How should we set appropriate Housing Benefit areas?*

Within Northern Ireland this could be set by district council area.

10. *Should the Local Housing Allowance size criteria be adjusted?*

The size criteria existing at present is reasonable and should not be adjusted.

11. *Should Housing Benefit be extended to provide for an extra bedroom where there is an established need for a room for a non-resident carer?*

If there is an identified need to provide an extra bedroom for a carer then this should be allowed for within the Housing Benefit claim.

12. *Is there a case for providing for an extra bedroom in the size criteria to help parents who need to care for non-resident children if there is evidence that working households can do so?*

The size criteria should take in to account that a parent may at times need to care for a non resident child. This may help ensure that a family relationship is developed or maintained with a parent and child.

13. *Should Housing Benefit entitlement be conditional on property meeting certain standards?*

This should not be done through Housing Benefit. Regulation of the private rented sector is another issue which should be considered separately from this consultation.

14. *Should a direct payment to the landlord be linked to the property meeting a certain quality or energy standard?*

Again regulation of housing standards is a separate issue to this consultation.

15. *We would welcome views on how Housing Benefit can contribute to the delivery of improvements in the standard of private sector housing for tenants.*

Housing Benefit payments should not be used as a mechanism to deliver improved housing standards. Improvements in standards in the private rented sector would be best evaluated and delivered as an issue separate to this consultation.

Submitted on behalf of NIFHA by:

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