
Amendments to Clause 69: Housing Benefit determination of appropriate maximum

This clause provides the DSD with powers to bring forward regulations to introduce size criteria for working aged tenants in social rented housing (i.e. under occupancy deduction/'bedroom tax'). The Committee for Social Development has recommended that the clause should not be implemented and Housing Rights Service supports this position.

If introduced, the bedroom tax will apply to working age social housing tenants with at least one bedroom in excess of their requirements. Tenant claimants who are under-occupying will no longer receive Housing Benefit to cover the full rent. For some it will mean huge shortfalls; 14% if under-occupying by one bedroom and 25% for two or more bedrooms. The average weekly loss for Housing Executive tenants will be £8.25 (1 room) and £14.70 (2 rooms+) and for Housing Association tenants will be £9.42 (1 room) and £17.48 (2 rooms +).

Evidence shows that the impact on social housing tenants in Northern Ireland will be disproportionately higher than in Britain. According to the Chartered Institute of Housing, 62% of working age social housing tenants in Northern Ireland will be affected, compared with 33% across Britain. Not only are there fewer smaller units of social housing, but the segregated nature of our housing may well further restrict people's ability to relocate to areas where accommodation might be available.

In Northern Ireland, it will affect upwards of 32,500 households.¹ Around 26,000 Housing Executive tenants will be affected, 18,850 of whom are under occupying by one bedroom. However the Housing Executive has made it clear that, should everyone chose to 'downsize', it does not have the appropriate stock to match this need. The cost to the NI Executive of not implementing this clause is estimated to be in the region of £18m per annum. Housing Rights Service would like the NI Assembly to consider what the cost to the public purse would be if it is implemented. The cost of homelessness varies depending on circumstances but can cost on average £26,000 per case.² Based on this information, the potential fall out cost from implementing the bedroom tax would be well in excess of £18m.

Housing Rights Service is already being contacted by social housing tenants who are very anxious about the 'bedroom tax'. Many of these tenants have lived in the same home, as secure tenants, for a considerable period of time and cannot understand why they should suddenly be asked to pay more or move out. We have clients with disabilities who need an additional bedroom to store medical

¹ Committee for Social Development Report on the Welfare Reform Bill (NIA Bill 13/11-15) 28 February 2013

² Final Evaluation Report of the Mortgage Debt Advice Service: Mentor Economic Developments Commissioned by DSD (September 2010)

equipment and single fathers who require more than one bedroom to facilitate overnight access to children. Naturally, many have established firm community and family links and have invested significant amounts of time and money into their homes. It seems grossly unfair to force households who cannot pay the shortfall to move out, with absolutely no guarantee of suitable affordable alternative housing.

Recent UK exemptions

There has been much debate nationally about the 'bedroom tax'. Prime Minister David Cameron has been presented with the plight of foster carers; armed service families; people approaching retirement age; people who need a spare room on health grounds; and those who rely on family/neighbours. On 12 March, the Secretary of State for Work and Pensions announced that foster carers will not be penalized for an additional room if they have fostered a child or been approved as foster carers in the past twelve months. Parents of members of the armed forces will also be exempt from the bedroom tax and will not be subject to non-dependant deductions while their son or daughter is away on duty. In addition, in response to a court challenge, the government has accepted that families of disabled children who need a spare room on health grounds will also be exempted. These exemptions are welcome – but could go further.

Northern Ireland

We remain hopeful that the Committee's position will be endorsed by the NI Assembly. This would undoubtedly be the best outcome for tenants and landlords. If, however, this is not achievable we would urge the Assembly to make amendments to Clause 69 to mitigate the disproportionate impact on Northern Ireland. The following options should be considered:

1. Implement Clause 69 for new tenancies only (with new tenants being supplied with all relevant information/advice in advance of an offer to enable them to make informed decisions).
2. Limit the application of Clause 69 to households under-occupying by two or more rooms.
3. Introduce further exemptions i.e. for specially adapted properties; cases where there is need for an additional room to store medical equipment; all foster carers and cases where separated parents need additional rooms for overnight access to children.

Pre Action Protocols for Rent Arrears in Social Housing

It has widely been acknowledged, that the introduction of the bedroom tax in Northern Ireland will lead to increased rent arrears. Rental income is a major source of finance for social housing providers and is used to meet the costs of their financial commitments and managing and maintaining their housing stock. A reduction in rental income will impact on housing providers' ability to meet these commitments. Inevitably, for many landlords, this will necessitate increased focus on arrears recovery. As with mortgage default, non payment of rent is grounds for possession. However, unlike lenders, social housing providers are not expected to follow Pre Action Protocols, set out by the courts, outlining the steps that should be considered before initiating legal action. Housing Rights Service believes that these are now necessary. We are asking the NI Assembly to introduce separate Pre Action Protocol in respect of rent arrears to ensure that eviction is always a last resort. Such protocols were introduced in England and Wales in 2006 and have been an effective tool for landlords and tenants.

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