

Briefing Paper

Impact of Welfare Reform on Your Housing Group

Your Housing Group have 33,000 properties across 43 local authority areas across Staffordshire, Cheshire, Merseyside, Greater Manchester, Cumbria and Leeds.

A recent survey of our customers indicated that 70% claim working age benefits.

Like many housing providers, particularly in the North, the biggest impact of the benefit changes to date is bedroom tax. On April 1st 3371 of our customers were identified as being affected, 2750 losing 14% of their rent and 621 losing 25% of rent from their housing benefit. Customers were contacted individually and talked through their options including the possibility of downsizing. Unsurprisingly the majority of customers chose to “stay and pay”.

Our Money Advice and Income Officers worked to help people manage their budgets including rescheduling existing loans and promoting cheaper credit options where available. Discretionary Housing Payments available from local authorities has helped some customers make up the shortfall but these are short-term and usually available only to those with a vulnerability or disability.

Ten months on, the number of affected customers have dropped to 2878 but there has been 36% % rise in rent arrears amongst this group. However to date none of our customers have lost their tenancies due to bedroom tax arrears alone.

In July, the Benefit Cap was implemented reducing benefit for couples and single parents to a £500 per week, and £350 per week for single claimants. Information from local authorities indicated that 51 YHG customers would be affected. All the households were contacted by our Money Advice team and visited. Following the visits, half were found to be ineligible for the cap because they were exempt, or their benefit was not over the capped amount. All capped customers have received support to manage their reduced household budgets and an offer of help to move or gain employment.

Also in July Universal Credit (UC) pathfinders started in two areas where we have stock; Warrington, Wigan. Universal Credit claims were limited to new claimants in particular postcodes who were single, not deemed vulnerable, had no dependents and already had a bank account. For landlords the main concern with UC is the likelihood of rent arrears, as claimants can no longer opt to have the housing costs paid straight to their landlord.

Receiving it as monthly lump sum as part of their living expenses presents challenges around budgeting and accessing banking services. To date 10 YHG customers are claiming Universal Credit, all have rent arrears and YHG have requested that 4 customers go back to having their rent paid direct as they are at risk of losing their tenancy.

Universal Credit has flagged up the need for us to support customers to access suitable bank accounts, and this was supported by customer survey information showing that 11.9% of YHG customers of working age do not have a transactional bank account and a further 30%

use their accounts once a month at most. We are working with high street banks and credit unions to develop products and services to support our tenants.

Overall our approach to helping customers manage the impact of welfare reform has been to offer face to face support and develop tailored solutions. Our financial inclusion work supports this by developing measures aimed at maximising the household budget of customers across the whole group.

Sharon Wheeler

Financial Inclusion Manager

Your Housing Group

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