

The government say the housing benefit penalty is designed to free up accommodation for households who are overcrowded. In fact it will have most impact in the areas with the least over-crowding. As the National Housing Federation points out just 3% of social homes in the North East are overcrowded but over half of working age families will be hit by the under-occupation cut.

The government impact assessment notes that social housing landlords will face additional costs in collecting rent as a result of this policy, and that arrears may rise. It fails to put a price on the costs of 'enabling tenants to be more mobile' and suggests that landlords may decide not to pursue some rent shortfalls. It also admits that under-occupation is twice as big a problem in the owner-occupied sector – where 84% of all homes are too big for their owners.

The under-occupation penalties are contained in Clause 68 of the Welfare Reform Bill. The Bill is due for its second reading in the House of Lords in September 2011. The policy will form part of the new Universal Credit which will also impose a cap on the total amount of benefits families can receive. 70% of those affected by this cap will be social housing tenants, according to the Minister of State for Pensions.

**Don't cut the housing benefit of social housing tenants!**

We call on MPs and members of the House of Lords to reject plans to slash the housing benefit of social housing tenants who are supposedly under-occupying.

This proposal in the Welfare Reform Bill (Clause 68) will unjustly penalise people who have little choice over where they live and have no freedom to move. Their already marginal incomes will be cut and they will be unable to avoid the penalty.

This policy will increase the housing benefit bill by forcing social housing tenants to move into the more expensive private rented sector. It will affect low income working parents and disabled people especially. In some areas almost half of all social housing tenants will have their weekly benefits slashed.

We believe this measure is punitive, unjust and poorly targeted. It will result in extreme hardship and increased and uncounted social costs.



Newcastle Tenants Federation

## **Welfare Reform Bill Policy on Under-occupation of Social Housing**

### **Briefing Note**

**by Quintin Bradley**

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From April 2013 one third of all social housing tenants of working age will have £13 slashed from their housing benefit every week – losing more than £650 a year - if they are judged to be ‘under-occupying’.

More than 59 % of social housing tenants receive housing benefit and the government estimates that 670,000 tenants, or nearly one third, will be penalised for so-called under-occupying.

Tenants judged to be under-occupying will have their benefit cut by up to 20% which means that those in high rent areas will lose most. The majority of those social housing tenants affected – more than three quarters - are under-occupying by just one bedroom. On average these tenants will lose about £11 per week. Tenants judged to be over-occupying by two rooms or more will lose on average £20 a week, with the average cut being £13 a week.

The choice for these social housing tenants will be to either make up the cut in housing benefit from their other income or move to a smaller home. But there are twice as many tenants who would need to downsize to one-bedroom accommodation than there are one-bed flats for them to move to in the social rented sector. According to the National Housing Federation there are only 38,700 one bed housing association properties and 240,000 households who need to move in.

This ‘mismatch’ in available properties is admitted by the government in its impact assessment and it instructs tenants to ‘look further afield for appropriately-sized accommodation or move to the private sector’. Although the policy is intended to contain costs, the price of forcing social housing tenants to move into the private sector will be soaring housing benefit bills.

This slashing of housing benefit will hit disabled people, families and working tenants who receive housing benefit to top up their low wage. The government estimates that 20,000 low waged and working social housing tenants will lose all their housing benefit as a result.

#### **What does under-occupying mean?**

Housing Benefit rules allow:

- One bedroom for each adult or couple living as part of the household.
- A child under the age of 15 is expected to share with another child of the same gender, while children under 9 are expected to share with another child regardless of gender.
- A bedroom for a carer is allowed where they provide over-night care to a person with disabilities.

#### **Will this affect pensioners?**

Working age is defined as under the qualifying age for State Pension which is now 65 for both men and women, and will rise to 66 in 2020. An extra 100,000 tenants who are nearing pension age will be affected by 2020.

The numbers (and percentage) of social housing tenants affected in each region will be as follows:

<b>Government Office Region</b>	<b>Estimated Number of Claimants affected</b>	<b>Affected Claimants as % of working-age HB claimants in each region</b>	<b>Average Weekly HB loss per affected Claimant (2013/14)</b>
North East	50,000	46%	£12
North West	120,000	43%	£12
Yorkshire & Humberside	70,000	36%	£11
East Midlands	50,000	37%	£11
West Midlands	60,000	33%	£14
Eastern	60,000	36%	£14
London	70,000	19%	£21
South East	50,000	26%	£15
South West	30,000	28%	£13
Wales	40,000	42%	£11
Scotland	70,000	32%	£11
<b>GREAT BRITAIN</b>	<b>670,000</b>	<b>32%</b>	<b>£13</b>

In the North East of England nearly half of all working age social housing tenants will have their benefit cut by £12 a week, while in Yorkshire & the Humber over a third will lose £11 a week. Tenants in London and the South East will suffer the most (with cuts of £21 a week in London), and will also have the most difficulty if they have to move to the private rented sector. The National Housing Federation forecasts that ‘tens of thousands’ will be forced to move in these regions.

The main drive to reduce under-occupation in social housing has been directed towards retired people still living in the family home. Social landlords have offered these tenants incentives to encourage them to move voluntarily to smaller properties. Government plans will not help with this issue but instead will impact on working age tenants who may be families whose children have their own bedrooms, or a parent who has occasional overnight visits from their children.

Social housing landlords have actively let some properties as under-occupied in order to reduce child density on difficult-to-manage estates, or to deal with unpopular housing. Disabled people in particular have been matched to adapted properties and may now find that they are penalised for living in a bigger home than housing benefit rules say they should have. The charity Disability Alliance has warned that 100,000 disabled people might be forced to leave their homes.