



**NIACRO'S RESPONSE TO THE DSD  
CONSULTATION PAPER ON SUPPORTING  
PEOPLE INTO WORK: THE NEXT STAGE OF  
HOUSING BENEFIT REFORM**

**DATE: 19<sup>TH</sup> FEBRUARY 2010**

**CRU Ref: 2009/41**

**NIACRO Ref: HCB24837**

HC24837

Ms. Rosemary Hughes  
Department for Social Development  
Social Security Policy and Legislation Division  
Level 1, James House  
2-4 Cromac Avenue  
Gasworks Business Park  
Ormeau Road  
Belfast  
BT7 2JA

Friday 19<sup>th</sup> February 2010

Dear Rosemary

I enclose NIACRO's response to the DSD document "Supporting People into Work: The Next Stage of Housing Benefit Reform.

NIACRO, the Northern Ireland Association for the Care and Resettlement of Offenders, is a voluntary organisation, working for almost 40 years to reduce crime and its impact on people and communities. NIACRO provides services under the headings of; working with children and young people who offend; providing services to families and children of offenders; supporting offenders and ex-prisoners in the community and working with prisoners.

NIACRO receives funding from, and works in partnership with all the main criminal justice agencies in Northern Ireland.

We welcome the opportunity to respond to the DSD document "Supporting People into Work: The Next Stage of Housing Benefit Reform. Should you wish to meet with us to discuss any of the points presented in our response, we would be glad to meet to take these issues forward.

We look forward to receiving the final policy document.

Yours faithfully

Pat Conway

Director of Services

**Enc**

## **1 Introduction**

**1.1** NIACRO, the Northern Ireland Association for the Care and Resettlement of Offenders, is a voluntary organisation and charity, which has been working for over 35 years to reduce crime and its impact on individuals and communities. NIACRO provides services under the headings of: promoting safer communities; working with children and young people who offend; providing services to families and children of offenders; supporting offenders and ex-prisoners in the community; and working with prisoners.

**1.2** NIACRO has links with all the main criminal justice agencies in Northern Ireland and connects with other bodies / organisations in the voluntary, community and private sectors.

**1.3** Many prisoners have and will face barriers to reintegration upon release. Prisoners are:

- 13 times more likely to have been in care as a child
- 20 times more likely to have been excluded from school
- 13 times more likely to be unemployed
- 1/3 lose their home whilst in prison
- 2/3 lose their job
- Over 1/5 face increased financial problems
- Over 2/5 lose contact with family during a sentence

People released from prison face barriers in accessing finance, accommodation, employment and delays in receiving benefits (often due to an unstable living situation). This group is more likely to find themselves in arrears and are at a higher risk of reoffending

## **2. General Comments on the Document for Consultation**

**2.1** Integral to NIACRO's resettlement work is a focus on improving the employability of people with criminal convictions and supporting them into employment. Allied to this is the support offered to our service users who wish to make the transition from benefits to employment. While the introduction of a National Minimum Wage and Tax Credits have incentivised people to make the break from social security benefits and move into employment (when the prevailing economic conditions allowed), one consistent concern raised by our service users is: can they afford to meet their housing costs if working?

**2.2** Current Housing Benefit legislation allows for Housing Benefit to continue for the first four weeks of work irrespective of earnings. To qualify, an applicant must receive a qualifying benefit for 26 weeks or more without a break. This legislation targets support at the long-term unemployed to encourage their return to the labour market. However, in doing so it bypasses and excludes anyone who has been claiming benefit less than 26 weeks.

**2.3** Good quality accommodation which is fit for purpose and meets quality standards is another important factor in successful resettlement practice. NIACRO supports the principles underlying the reform of Housing Benefit outlined in **paragraph 3.14**. We also believe the system of administering Housing Benefit (and most other social security benefits) while safeguarding against fraudulent claims and payment error, should be simplified to stimulate greater awareness and understanding amongst out-of-work customers and to promote improved up-take.

**2.4** The consultation document proposes (**paragraph 4.8**) replacing Housing Benefit for anyone returning to work with a 'Transition into Work Payment'. This new payment will be paid at the out of work rate for a longer period of 3 months (**paragraph 4.9**) as opposed to the current extended period of **four weeks** on returning to work. However the new proposals also require a longer (unspecified) qualifying period than the **current 26 weeks**.

NIACRO argues that extending the qualifying period will only serve to prevent potential beneficiaries from entering the labour market early. Further, it could perversely encourage people to remain unemployed longer, until they qualify for support. Obstacles which prevent the early return to work should be removed to avoid these mistakes. Consideration should be given to either maintaining the present qualifying period of **26 weeks** or (given the current economic downturn) reduce, rather than extend it.

**2.5** It is our experience, based on evidence from service users, that the processing and payment of Housing Benefit for the private rented sector is slow. NIACRO wants a scheme which is easy to access, simple to administer (using data already held on claimant in relation to other benefits), flexible to changes in customers circumstances, and which is robust enough to safeguard against fraud and payment error. Having received the 'Transition to Work Payment' for 3 months on returning to employment, any continuing entitlement to Housing Benefit could then be calculated under normal eligibility rules. This would ensure maximum impact and minimum risk.

**2.6** NIACRO is not in favour of introducing fixed period awards (**4.11 - 4.17**) of Housing Benefit. We encourage the development of a system which is responsive to changing circumstances and flexible to changing needs. Our service users experience of fixed period awards within the tax credit system is one of having to repay sizeable overpayments because the system did not

immediately take account of their reported change in circumstances. Delays in processing new information that affects continuing entitlement leads to a build up of arrears. A rigid and inflexible system will result in overpayments, unnecessary administration and added financial hardship for low-income claimants forced to make repayments.

**2.7** Housing Benefit should be affordable to the tax payer and sustainable so low income households can access a decent standard of accommodation. In Great Britain, Local Housing Allowance calculations have been distorted in some areas due to the presence of large numbers of expensive properties. These are properties normal working households could never consider renting (**paragraph 5.6**). We are unsure if this experience is widely replicated throughout Northern Ireland although there may be pockets e.g. south Belfast, where rents charged for expensive properties in one neighbourhood could have an impact on benefit rates for private tenants in lower cost areas nearby.

**2.8** Our service users who rent in the private sector often make up a shortfall to their landlord as Housing Benefit does not cover the full rental charge. This suggests that the system of Local Housing Allowances in Northern Ireland is providing good value for money. Consideration should be paid to how landlords set their rents and the relationship between rent numbers and the take-up of Discretionary Housing Payments. Therefore, we see no current need to reform the practice of calculating Local Housing Allowances in Northern Ireland.

**2.9** The private rented sector has a key role in providing affordable housing to those on low incomes and Housing Benefit helps low income tenants afford decent accommodation. While it is desirable that properties in the private rented sector are energy efficient and adhering to carbon footprint standards, making the direct payment of Housing Benefit to landlords conditional on accommodation meeting certain quality standards will do little to motivate them. In Northern Ireland, most tenants prefer to have their Housing Benefit paid direct to the landlord for convenience and avoid getting into arrears. If this proposal becomes legislation, landlords wishing to avoid their duty could simply rent their properties to non-benefit claimants (**paragraph 6.7**).

**2.10** There is no statutory register of private landlords in Northern Ireland. NIACRO recommends that legislation establishes a mandatory register of all private sector landlords in Northern Ireland. This would assist to monitor the number of private landlords in Northern Ireland, the standard of property and also contribute towards raising standards within the sector. Refusal to register would incur the imposition of a heavy fine.

**2.11** Landlords could be encouraged to join the register with the offer of financial support to help them improve the energy efficiency of their properties and not directly bearing the cost. This would enable rental values of the property to remain stable. Failure to improve their properties within a specified period of time would incur a sizeable financial penalty. Only by placing this objective on a statutory footing, is change likely to happen.

**2.12** Landlords should comply through participation in a registration scheme, receive financial incentives for doing so and receive meaningful penalties for failing to comply with the law.

**2.13** Housing Benefit along with other in-work benefits has a central role in encouraging and supporting people back to work. To ensure maximum impact of the Housing Benefit scheme, a flexible, responsive administrative system is required, which does not put a working claimant in debt. For this reason we don't support the adoption or alignment with the tax credits system, which has caused misery to untold numbers of customers due to its rigid decision making processes.

### **3.0 CONCLUSION**

**3.1** It has been difficult to relate the information contained in this consultation to the situation in Northern Ireland, as the focus of the document was the experience of England and Wales. Instead, we have chosen to answer some of the questions posed in the paper based on our service users experience in the private rented sector.

**3.2** We support the government's strategy of encouraging work-ready individuals back into employment. This mirrors our efforts in assisting people with criminal convictions into constructive employment.

**3.3** We realise the impact the introduction of other incentives such as Tax Credits, Return to Work Credit and In-Work Credit has made to encouraging people to take that extra step into employment.

**3.4** Housing Benefit is another piece of this jigsaw. NIACRO welcomes the proposals to extend the award period for anyone returning to work but question the need for introducing measures which may prove counter productive.

### **4.0 NIACRO RECOMMENDATIONS**

- NIACRO argues that extending the qualifying period will only serve to prevent potential beneficiaries from entering the labour market early. Consideration should be given to either maintaining the present qualifying period of **26 weeks** or (given the current economic downturn) reduce, rather than extend it

- A Housing Benefit scheme for the private sector must be easy to access, simple to administer (using data already held on claimant in relation to other benefits), flexible to changes in customers circumstances, and which is robust enough to safeguard against fraud and payment error.
- NIACRO is not in favour of introducing fixed period awards for Housing Benefit. We encourage the development of a system which is responsive to changing circumstances and flexible to changing needs.
- Consideration should be paid to how landlords set their rents and the relationship between rent numbers and the take-up of Discretionary Housing Payments. Therefore, we see no current need to reform the practice of calculating Local Housing Allowances in Northern Ireland
- There should be a mandatory register of all private sector landlords in Northern Ireland. This would assist to monitor the number of private landlords in Northern Ireland, the standard of property and also contribute towards raising standards within the sector. Refusal to register would incur the imposition of a heavy fine.
- Landlords could be encouraged to join the register with the offer of financial support to help them improve the energy efficiency of their properties and not directly bearing the cost. This would enable rental values of the property to remain stable. Failure to improve their properties within a specified period of time would incur a sizeable financial penalty. Only by placing this objective on a statutory footing, is change likely to happen.
- NIACRO does not support the adoption or alignment with the tax credits system, which has caused misery to untold numbers of customers due to its rigid decision making processes.