

Barnardo's Scotland Briefing on Scottish Parliament debate on Housing Benefit Reform

Barnardo's Scotland supports reform of housing benefit, as part of a general simplification of the welfare system. However, we are very concerned that the current changes are driven by a desire to reduce spending rather than to improve the system, and are proceeding too fast for unforeseen consequences to be taken into account.

The impacts of these changes should be considered as part of the wider set of changes to UK tax and benefits over the next few years. The Institute of Fiscal Studies ([IFS](#)) has recently [highlighted](#) that new tax and benefits measures to be introduced in the coming year, as part of the Government's deficit reduction efforts, will reduce household incomes with households with children set to lose the most from these reforms, which is a major concern for organisations like Barnardo's Scotland.

Key issues for Barnardo's Scotland:

- UK Housing Benefit changes, together with other parts of the UK welfare reform package, have the potential to undermine the ability of the Scottish Government to meet its child poverty target and homelessness target.
- More needs to be done to prepare devolved services for the impact of these changes on vulnerable children and families.
- There may be specific, and unplanned, impacts of the changes on particular children and families such those with a child in care.

Poverty, housing and housing benefits

A large number of the families Barnardo's Scotland work with are living in poverty and in recent years we have done a significant amount of research and campaigning work to highlight the problems that children growing up in poverty face. In particular in early 2009 we published [Below the Breadline](#), a year long study led by our Scottish research team which followed 16 families, and provided a detailed insight into the day-to-day lives of children growing up in poverty.

Housing problems are a major difficulty for many families in poverty, and many of the children in the study were living in overcrowded, unsuitable and isolated accommodation. Barnardo's Scotland is concerned that UK Government planned changes to Housing Benefit, taken together with wider welfare reform, will have a negative impact on efforts to tackle child poverty, and could undermine the Scottish Government's ability to meet its target to eliminate child poverty. We are also concerned about the additional strain on services for children and families, if, as predicted by the Scottish Government impact assessment the number of families

presenting as homeless rises and increasing numbers of families are forced to relocate because rent is unaffordable.

Speed and impact of the changes on devolved services

While some of the changes to Housing Benefit have already been introduced, such as the reduction in the maximum rent payable to private sector tenants to 30% of the average rent in the area, rather than 50% (from April 2011), many of the changes that will take place under the terms of the Welfare Reform Act, such as the new under-occupancy rules discussed below will come into force in April 2013. However, the details of the proposal will be decided through secondary legislation passed by Westminster over the next 12 months. This gives a very tight timescale for Scottish Local Authorities and other devolved services to make appropriate adjustments.

In addition, while some analysis of the impact of the tax and benefit changes has been carried out by local authorities and the Scottish Government, there is nothing as comprehensive as the recent investigations into the combined impact of the changes in Wales and Northern Ireland, as set out in the IFS report [The Impact of Tax and Benefit Reforms to be Introduced between 2010-11 and 2014-15 in Northern Ireland](#) and the Welsh Assembly Government report [Analysing the impact of the UK Government's welfare reforms in Wales - Stage 1 Analysis](#). We would suggest that a similar report for Scotland would be helpful in raising awareness and increasing preparedness.

Specific changes to under occupancy rules

The UK Government plans to introduce, through secondary legislation, cuts to the amount of benefit that working-age tenants can receive if they are deemed to have a spare bedroom in their council or housing association home. Under the new size criteria, any household deemed to be 'under-occupying' their home by one bedroom stands to lose on average £11 of their housing benefit per week and those 'under-occupying' by two or more bedrooms will lose £20 per week (these figures are estimates, and an actual figure will not be possible to calculate until the secondary legislation is agreed).

Barnardo's, along with other charities highlighted the unintended impacts this would have on certain groups, and succeeded in securing specific protection for foster carers and disabled people who live in significantly adapted accommodation through an enhanced local authority discretionary payment. However, concerns remain about unintended consequences on groups such as families with children in care. We are also concerned that the funding for these enhanced discretionary payments will come from increasing the charges for other under-occupying housing benefit recipients.

While the discretionary payments will be helpful for those living in adapted housing, we know that families with disabled children may need extra

rooms for a variety of reasons. An extra room may be needed for a carer to stay in, or it may be that it is not possible for siblings to share a room. These kinds of situations should also be taken into account, but are currently not.

Parents whose children are looked after and accommodated where there is a potential for their children to be returned to them may also be particularly affected by under occupancy rules. The new rules could mean that families, who may have children returned to their care, are unable to do so if they have to relocate to smaller accommodation. We would welcome exemptions that are based on existing rules, such as retaining all housing benefit entitlement if you are in hospital for a period of up to 12 months. This is an approach which may also work for families whose children are temporarily looked after and accommodated, and we would look to the Scottish government to highlight these issues to the UK Government as the secondary legislation proceeds through Westminster.

For more details contact Mark Ballard, Head of Policy, Barnardo's Scotland mark.ballard@barnardos.org.uk Phone: 0131 314 6611