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The following is the response of members of the Scottish Homelessness & Employability Network to the public consultation document “Supporting People into Work: the next stage of Housing Benefit reform”.

The response emanates from a focus group held specifically to discuss the consultation document, and is the product of input from a range of agencies working across Scotland, all of whom have a specific interest in both housing and employability.

The response structure follows the question order as laid out; however, there are certain answers that the group felt gave an adequate response to more than one question. Where this is the case the question numbers are grouped together.

**Question 1 – Do you agree that a Transition into Work Payment will help to ease the move into work, Question 2 – What would be the main features of such a scheme to secure maximum impact and minimize risk; Question 3 – Should we introduce fixed period Housing Benefit Awards for those customers in work & Question 4 – What would be the main features of such a scheme to secure maximum impact whilst avoiding any perverse incentives and minimizing risk to those whose income falls significantly?**

We believe that anything that would make the process of HB run-on more transparent and attainable would be welcome, as currently with discretionary availability only there are regional/local and indeed timeliness factors (i.e. remaining annual budget provision) which work against fair, equal and consistent access. The quality of the supporting letter can also be key in accessing run-on, meaning that those who are vulnerable but without access to timely, knowledgeable support are further excluded. The complex process of working out entitlements often depends upon access to quality advice and a non-discretionary scheme would make it easier for all.

In theory a single, integrated system would work, however, market rents are self-perpetuating, and landlords are likely to charge what they can. The cost of housing, therefore, will continue to be prohibitive, even with a Transition into Work Payment. We would welcome consideration of how to address this overriding problem.

There needs to be recognition of the fact that young people are even more disadvantaged, and that having a realistic skills set match with salary levels needed to afford housing is not an option for all. Young people, with age related short periods of work experience are often more disadvantaged in financially difficult times. This can impact on motivation levels and lead to sanctions, and issues with housing benefit.

To bolster any Transition into Work Payment capacity needs to be built in for the extension of one stop shops. Access to the systems in place is often hindered by the support needs of homeless people, for example, a 45 minute phone call with no results can lead to disengagement with the process if, for example, factors such as drugs and alcohol are an issue. Whilst it is acknowledged that services are under pressure any changes to the system need to take account of access.

We believe that there need to be adequate procedures in place for consistent service mapping and implementation. There are issues of resources in certain areas, and geographical factors need to be taken into account. The willingness of job centres to engage in partnership work is key.

The document makes no mention of the transition into education. We believe that there should be a payment made in this respect too as this transition is often a driver for transition into work, particularly for young people. There is no acknowledgement of the potentially long term process of employability, or the fact that some people are required to undertake specific education in order to attain employment. Education is a method, and an important part of the employability process and should be recognized and supported as such.

In relation to fixed period awards we believe that a sliding scale approach may be more beneficial as it can be very difficult to go from a situation of all to nothing. We would advocate for an initial 3 month fixed period award followed by a 3month sliding scale period. Having a decreasing scale of Housing Benefit over an extended period would build in capacity for recipients to plan and incrementally learn to manage their money and acclimatize to increasing levels of financial self sufficiency. A system of this kind would allow for more effective preventative support rather than crisis interventions to be made. We would recommend that an additional 3 month period of downwardly sliding scale payments be implemented after the initial 3 month fixed award period. This would be of further benefit as it would correspond with employment law and average probation periods. This system would offer a level of protection to vulnerable people taking up employment, who then fail to pass their probation period.

As with many benefits issues much hinges on the access to and quality of advice available. We believe that each Jobcentreplus should have a homelessness officer.

We believe that review of payment on 2 homes would greatly reinforce the success of any transition into work payment as an incentivizing force. People who have experienced homelessness often start off a tenancy in arrears due to the lack of HB payment on 2 homes. This can negatively influence any future positive risk taking in relation to taking up work opportunities. Vulnerable people would be more likely to view the Transition To Work Payment as a viable incentive and safeguard if they had previously experienced a positive transition which left them in a financially stable position from which to make future life choices.

**Question 5 – What is the level of rent above which it would not be reasonable for the taxpayer to offer support & Question 6 – How should we set benefit rates at an appropriate level so that they reflect the housing choices of other working households not eligible for benefit?**

The setting of rent levels needs to be underpinned by a definition of what reasonable accommodation is. The private sector should be more regulated in the light of lack of affordable housing. We would advocate for state tenants for state prices.

The high, disincentivising nature of supported accommodation costs isn't taken into account. Many homeless people in supported or temporary accommodation find it very difficult to afford to work and maintain what is often their only or most appropriate accommodation option.

**Question 7- How could we set benefit rates to reflect different market conditions in different areas, Question 8 – Would excluding the most expensive rents when setting Local Housing Allowance rates result in fairer levels of benefit; Question 9 – How should we set appropriate Housing Benefit areas & Question 10 – How should the Local Housing Allowance size criteria be adjusted?**

A ceiling should be applied to what rents can be paid to private landlords for housing state tenants, as previously stated we would advocate state price for state tenants. We acknowledge that there does need to be some differential in cost /quality of accommodation balance as there is no incentive to work if the same house can be lived in whilst on benefits. The basic issue relates to the lack of affordable housing. We would recommend that local authorities buy back in ex-private rented properties; this would help avoid the problems of having to pay inflated rates for larger properties that tend to be in expensive areas.

**Question 11 – Should Housing Benefit be extended to provide for an extra bedroom where there is an established need for a non-resident carer?**

No, Housing Benefit should not be paid in respect of non-resident carers.

**Question 12 – Is there a case for providing for an extra bedroom in the size criteria to help parents who need to care for non-resident children if there is evidence that working households can do so?**

Yes, if linked to legal custody or evidence based demonstration of ongoing relationships/arrangements. There would need to be criteria established at a national level, with a duty to establish the nature of the situation in relation to children.

**Question 13 – Should Housing Benefit entitlement be conditional on property meeting certain standards?**

Yes. Local authorities are often most guilty of this. The same standards need to be agreed and applied on a national level. It is acknowledged, however, that there is a risk of an increase in void properties as LA's may not have the resources to upgrade. Protection for the tenant would have to be built into any sanction or withdrawal system.

**Question 14 – Should a direct payment to the landlord be linked to the property meeting a certain quality or energy standard?**

Yes, in principle, however, an adequate system of tenant protection would need to be built in for situations where direct payment was withheld. A national register of landlords would need to be established.

The withholding of direct payment would take away some element of choice for the tenant – they may want to receive the payment themselves but due to quality & energy standards the landlord may expect direct payment. There would be likely issues with non-registration and implementation of safeguards. We would be concerned that tenants could be increasingly vulnerable to homelessness if they complain about standards.

Who would regulate the private sector? Would a licensing system work? We believe that there should be both a landlord and property registration scheme.

**Question 15 – We would welcome views on how Housing Benefit can contribute to the delivery of improvements in the standard of private sector housing for tenants?**

A system of reports similar to the Homebuyers report could be introduced. This could give an overview of any issues, e.g. heating problems, and could be linked to Housing Benefit levels.

