

**Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales**

**Public Accounts Committee inquiry - Wales & West Housing (WWH)**

WWH manage more than 9,000 affordable homes in 12 local authority areas across Wales, which include more than 3,000 dedicated properties for older people.

Overview of WWH response to Welfare Reform Changes

Preparing residents for WR changes

Working with our Local Authority (LA) partners, WWH started identifying residents affected by the Social Size Criteria (SSC) changes from the end of August 2012. By the end of 2012 all residents affected in all LA areas were known to WWH and by the end of March 2013 Officers had contacted and visited all of these residents.

At these visits Officers advised residents of how much Housing Benefit (HB) they would lose and discussed their options with regards to staying in the property and paying the shortfall or moving to a smaller property to avoid a decrease in HB. They also noted whether the property was adapted, whether the resident was disabled and undertook an affordability assessment.

Alongside these visits articles were included in the Association's quarterly magazine and information was published on our website. Letters were also sent in the last week of March reminding residents of the change and their obligations.

Our allocation policy was changed to mirror the criteria set by the SSC changes so that future residents would not be affected. Waiting lists were also updated and all applicants informed of the new criteria and affect that had had on the size of property they might be allocated. In LAs where a common housing list is operated the majority have also changed their allocations criteria to mirror the SSC change criteria. Changes were also been made to transfer and mutual exchange policy to allow residents to move even if they have rent arrears.

Our development programme now has a greater focus on providing one bedroom property and certain developments were reviewed following the introduction of SSC changes in order to provide more accommodation for those affected.

### The impact of the SSC changes on WWH

At the outset there were 1017 residents identified as affected by the change. When all residents had been visited this number had decreased to 815 due to clarification of resident's age and household make up to HB departments.

The average amount that these residents were due to lose in Housing Benefit entitlement per week was £14.50, meaning that the Association would receive approximately £613,000 less in Housing Benefit payments in this financial year.

An assessment at the end of April 2013 showed that, of the 815 households under-occupying, 421 (51.5%) were paying the shortfall, 258 had made one payment or less (most of this group made no payment at all), 84 were not paying enough and 52 had made no payment pending a decision from HB with regards DHP or whether they would be considered for an extra bedroom.

WWH recruited 7 Tenancy Support Officers (TSOs) in April 2013 to assist residents affected by SSC changes through money and debt advice with a focus on creating sustainable budgets, completing applications for Discretionary Housing Payments (DHPs), grants, assistance funds and benefit applications.

With these interventions residents who wish to remain in their property are enabled to do so through the maximisation of their income. This is not possible with every resident due to the low income level so every effort is made to assist the residents to move to a property they are satisfied with in an area they desire. If residents require financial help with moving the Association will consider their circumstances and assist. This has been a significant cost to WWH and is in addition to the increased staff, void, property and transaction costs as a result of engaging with residents, making alterations to allocations policies, increased turnover of properties and the costs of processing payments from residents.

At the end of December 2014 the number of residents affected by the bedroom tax stood at 672. Of those under-occupying households 79% (534) were currently 'in sync' with rental payments and paying the shortfall. Of the remaining residents, 21% are out of sync, meaning they are not currently paying the required shortfall.

The Association continues to avoid legal action on cases where arrears have accrued primarily due to the bedroom tax by providing residents with financial management and budgeting support to sustainably afford their rent or to assist with finding an appropriate move. In approximately 15% of cases, residents obtain Discretionary Housing Payments from the LA whilst seeking a more permanent solution.