

Housing

Introduction: April 2013

- **New occupancy rules in relation to the Social Rented Sector will severely disadvantage many households in Highland**
- **Occupancy requirements are likely to present a particular problem in rural and remote areas due to lack of available housing**
- **Occupancy requirements may lead to carer relationships becoming unsustainable as people move house/area to find appropriately configured accommodation**
- **Housing insecurity is associated with compromised mental health**
- **Homelessness presents a wide range of health problems**

Since April 2011 Housing Benefit has been paid at the 30th percentile of achieved rents collected by Rent Officers. Prior to that it was paid at the median rate. Rates are currently reviewed on a monthly basis.

The Welfare Reform Act will see rates set annually and will restrict the increase in Local Housing Allowance (LHA) rates to growth in Consumer Price Index (CPI) which the Office of Budgetary Responsibility has estimated as approximately two per cent per annum in the medium term, roughly half the projected rate of increase in market rents.

The effect of this change will be cumulative. It is uncertain what the market response, if any, will be to these changes, but if there is no change to current trends in the rented housing market, then the longer-term impact on Housing Benefit claimants will be considerable, creating a widening gulf between housing benefit and the actual cost of housing. After ten years, all things being equal, the amount received in housing benefit will require to be topped up with a further 21%. For a typical three bedroom house in Argyll and Bute this will leave Housing Benefit claimants with a weekly shortfall of just over £30; for a similar house in Highland the likely weekly shortfall would be almost £34.

It may be that landlords, particularly social landlords, will restrict rent increases to accommodate these changes. In this case there would be less cost to the household, but costs would fall to other parts of the public sector, possibly including the NHS through reductions in other services to accommodate falling local authority income from rentals in the social rented sector.

Social Sector Housing under-occupation

Introduction 2013

New occupancy rules will apply to all those in receipt of Housing Benefits, except those receiving State Pension Credit.

Benefit claimants living in privately rented housing are currently subject to restrictions on the size of property Housing Benefit can pay for. The size is determined by the number of people: for a single person or a couple only one bedroom is permitted. A child under the age of 15 is expected to share with one other child of the same gender and a child under the age of 9 is expected to share with one other child irrespective of gender.

The changes to housing benefit would introduce the same criteria in relation to social rented housing.

If the system works as intended it creates something of an itinerant poor:

- 2013: Two single people, both under 35 – each entitled to housing benefit only for a room in shared accommodation
- 2014 The two become a couple. They become entitled to a one-bedroom house.
- 2016 They have a baby boy. They become entitled to a two-bedroom house.
- 2020 They have another baby. They remain in their two-bedroom house.
- 2032 The oldest boy reaches sixteen. So far he has shared a bedroom with his younger brother. Now the family becomes entitled to a three-bedroom house
- 2033 The oldest boy goes to college/university/take a job away from home. The family is required to move back to a two-bedroom house again (or lose benefits)
- 2037 The younger boy leaves home. The couple are required to move to a one-bedroom house (or lose benefits)

The benefit reductions would operate by deducting a percentage of housing benefit to reflect the level of under-occupation in each case. Benefits would be reduced irrespective of whether there was housing of a more appropriate size available.

This will present particular problems for people living in NHS Highland's area, particularly those living in the more remote and rural parts. Throughout all parts of NHS Highland's area there is considerable pressure on smaller houses within social housing, particularly one-bedroom houses. Social landlords build very few one-bedroom houses and most of these are earmarked for sheltered, supported or other forms of housing for people who are elderly or disabled.

Finding smaller houses will constitute a considerable challenge for those deemed to be under-occupying social housing, as there are also few properties of this size available in the privately rented sector.

In 2011/12 661 households in Highland Council's area applied to be re-housed because they were under-occupying privately rented properties and, therefore, were receiving insufficient housing benefit to cover their costs. The Highland Council and its Registered Social Landlord (RSL) partners were only able to find suitably sized properties for 151 of these households. As occupancy requirements are introduced in the Socially Rented sector the numbers of those applying for smaller houses is likely to increase dramatically. Numbers of suitably-sized properties which become available in any one year are unlikely to vary much from 2011/12 levels unless The Highland Council or RSLs are able to undertake a significant building programme. (*Data source: Housing Services, The Highland Council*)

The problem is compounded in remote and/or rural areas where it may take several years for an appropriately-sized house to become available and for there to be considerable pressure from the elderly and first-time occupiers for the same property. In remote and rural areas there is also less opportunity to offset costs by (for example) taking in a lodger.

There is no way of anticipating how individuals and families who are currently under-occupying homes will react to the benefit reductions.

Some may choose to move to cheaper accommodation. It is unclear where cheaper accommodation could be found, particularly in remote and rural areas, but there is a clear history within housing in the Highlands of:

- Caravan dwelling
- Winter use of holiday lets
- Occupation of sub-standard property

Where those in receipt of Housing Benefit in relation to under-occupied socially-rented property are in employment, moving to cheaper accommodation may necessitate giving up their job(s). However, cheaper housing is more likely to be available in areas where jobs are difficult to find, further disadvantaging the individual or family. As they will have voluntarily left a job, they may be less likely to meet the criteria for Jobseekers' Allowance.

In remote and rural areas it is unlikely that people would readily find alternative accommodation within travelling distance of their workplace.

Some may choose to stay and cut back instead on food or heating.

A proportion of those in receipt of housing benefit in relation to "under-occupied" property will be carers, providing unpaid care to neighbours, friends or relatives. Where people are forced to move outwith their own local area, the care they provide will be lost. It is estimated that the average cost to the NHS of replacing care provided by an unpaid carer is:

It will also be more difficult for families to maintain normal family caring arrangements. For example, grandparents will be unable to take their grandchildren overnight or for weekend holidays to give parents a break. This will be particularly difficult in the case of providing family respite for main carers of sick, elderly or disabled relatives. Historically and at present, housing allocation takes local connectedness into consideration.

The requirement for children within a family to share a room is also potentially problematic; this will mean the family requiring to be rehoused when the oldest child reaches 10 (in the case where there are two children of the same gender in the household) or when the oldest child reaches 16 (where there are two children of opposite genders). In the Highlands and Argyll and Bute moving house within the rented sector is likely to require changing to a new GP practices. Transfers such as this carry the potential for people to become lost within the health system, having left one practice and failed to register with another. This can affect services such as screening, scheduled hospital appointments etc.

The likely disruption to family life for those who have children and are currently in under-occupied housing are such that the option of taking in a lodger becomes far more attractive. There should be some level of demand: as single people under the age of 35 will only be able to receive housing benefit in relation to a bedroom in a shared property, there are likely to be significant numbers of single people looking for lodgings. This could provide a very good solution for social landlords too as they often struggle to find appropriate accommodation for single under 35s and it is possible that, as the new legislation takes effect, they will be increasingly likely to suggest this to tenants who are under-occupying property.

There would also be perceived benefits for families: by this mechanism the additional room or rooms could be filled until such time as the children reach an age where housing benefit rules would allow them to have separate rooms, obviating the need to move to a smaller property. At this point the lodger could be given notice to leave (40 days notice is required in the case of "common law tenancies" such as lodgings), obviating the need to move to a larger property. This would provide a level of stability for the family, allowing the adults to remain in their jobs and the children to remain at the same schools.

However, if this becomes commonplace then it could be seen as an entry mechanism for those who have an unhealthy interest in children. There is legislation in place which will allow parents who request it to receive police information on people with whom their children may have contact if the individual has come to the notice of the police due to sexual offences or other offences against children. However this does not help if the individual has not yet come to the notice of the police or if potential landlords do not take up this opportunity..

There are also potential difficulties where the relationships between parents breaks down. It is not yet clear whether both parents will be entitled to housing benefit for accommodation which is large enough for children to visit overnight or only the parent with care will be entitled to claim full housing benefit. It is not clear whether (usually fathers) under the age of 35 who have split up with their partners will be required to live in a room in shared accommodation and what the Child Protection implications of such arrangements might be.

Housing insecurity

The changes to benefits in general along with the specific changes to Housing Benefit, and in particular the new rules on occupancy, will lead to some people having to move from their homes either due to being unable to afford to remain due to the new occupancy criteria, or because of evictions or repossessions arising from rent or mortgage arrears.

Housing insecurity (albeit in relation to owner occupiers who have difficulty paying their mortgages) is associated with increased mental ill-health in men and women and to increased GP visits in men.

The scale of diminished mental health directly associated with difficulty in making mortgage or rent payments and being in arrears is significant. For both men and women being in arrears comes on top of and is, separately, of a higher level of magnitude than financial hardship (Shaw, 2004; Taylor et al, 2007).

Homelessness

As of January 2012 there were 43,000 households in receipt of housing benefit in Highland and Argyll and Bute.

We do not yet have housing statistics for Argyll and Bute Council, but in Highland Council's area:

- There were 10940 people on the housing waiting list or transfer list as of 31/12/11
- 1780 were housed between 01/04/11 and 31/04/12
- 801 with homeless priority were housed between 01/04/11 and 31/04/12
- 45% of people with homeless priority were housed between 01/04/11 and 31/04/12

It is easy to see how some of the difficulties for households engendered through the Welfare Reform Act may lead, in some cases, to homelessness.

- Reduction of Housing Benefit from median achieved rent to 30th percentile of achieved rent
- Increasing Housing Benefit by Consumer Prices Index (CPI) rather than actual achieved rental increases
- Payment of Housing Benefit directly to claimants' bank accounts on a monthly basis (Housing Benefit is currently paid by Local Authorities to landlords)
- New under-occupancy requirements
- Other benefits changes

Will all make it more difficult for households to continue to pay the rent. In particular, when there are other immediate pressures – food, heating, utility bills, children's clothes and so on – Housing Benefits claimants may spend money sitting in their bank account on these day-to-day pressures rather than ring-fencing it to pay the rent.

Homelessness comes in many forms with the most readily recognisable and measurable form – rough sleeping – representing the tip of the iceberg. Many more homeless people are living in emergency or temporary accommodation (such as winter lets of holiday homes) people living in hospital or care homes because they have nowhere else to go, people in overcrowded or unsafe accommodation, people who risk violence due to where they live and people having to share accommodation in the long-term or on an unreasonable basis. (Scottish Executive 2005).

Poor health is both a cause and a consequence of homelessness. Homeless people are at significantly higher risk of premature death and morbidity than the general population.

In a 2002 study, specific conditions which are more prevalent amongst homeless people in Aberdeen included: anxiety, stress, self-harm, other mental health problems and infectious diseases. Only 22% of homeless people describe themselves as being "in good health" by comparison to 77% of the general population. (Love, 2002)

A study of homeless people in Glasgow found:

- 73% had experienced one or more neurotic symptom in the past week
- 44% were assessed as having a neurotic disorder
- Over half experienced levels of hazardous drinking
- 65% had a longstanding illness
- 29% had attempted suicide
- 18% had self-harmed.

(Kershaw et al, 2000)

Fitzpatrick et al showed that homeless people in rural areas experience longer periods in temporary accommodation than those from urban areas. (Fitzpatrick et al (2005)

References

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