Social Security Committee

Social Security support for housing – notes from event in Leith

On 13 March 2019, the Committee held an outreach event in Leith to hear from people with lived experience of renting in the private sector and from the organisations who support them.

The event was attended by four Members and ten participants. The organisations who were represented at the event were; Low Income Families Together, YPeople, One Parent Families Scotland and the Rock Trust. Three individuals attended, and one provided their lived experience over the phone. Their case studies have been anonymised.

The event consisted of four tables where participants held an open discussion about the issues which were affecting them. The notes from each of the tables have been collated and the main issues have been summarised below.

**Benefit Cap, Local Housing Allowance and affordability**
- Impact of the benefit cap, particularly for families with more than two children
- The failure of the Local Housing Allowance (LHA) to keep pace with rent increases in the city
- DHPs are used to make up the shortfall in benefit payments for rent
- A call for rent controls in the private rented sector

Several participants had their housing benefit cut due to the benefit cap. As a result, some participants had claimed the discretionary housing payment to cover the shortfall in rent that benefits didn’t cover. Generally, people applied every six months or every year. However, if someone has had a DHP before then they might get less if they apply again, leading to uncertainly about whether someone would get a DHP and how much would be provided. Another issue was that as DHP awards can take up to three months to come through, the tenant can already be in considerable arrears. As a consequence, some landlords have issued notices to quit, making families homeless.

Although some had claimed DHP to cover most of the shortfall, they are now worried that increasing rents will put them into increased difficulties. They are especially concerned that the amount covered by the LHAs will not match the rent increase. This is a particular issue with private rents due to the rate at which they are increasing, but it was also noted that local authority rents were also rising. An organisation spoke of one parent who had recently given notice end the tenancy because she could not afford the rent increase.

Participants commented that there were very large differences in rent levels in Edinburgh compared with surrounding local authority areas. [*Clerk’s note: the Edinburgh LHA is set as part of the Lothian Broad Rental Market Area which includes City of Edinburgh, Midlothian and East Lothian local authority areas.*]

Solutions suggested included; the rent charged should be capped, the level of the LHA should be increased and, for some people who had difficulty budgeting, the rent should be paid direct to the landlord.
Universal Credit

- Delays in assessment for Universal Credit (UC) and Discretionary Housing Payment (DHP) immediately place tenants in arrears and can jeopardise tenancies
- Worried about Universal Credit. There is a reluctance to notify change of circumstances as it might lead to moving onto universal credit.
- Most benefits now applied for and administered online, which can be difficult for some clients, particularly older people

Universal credit has been full service in Edinburgh since November 2018. Many of the participants were yet to change to UC and were very concerned about the move.

Participants from the support organisations reported that their staff were called upon regularly to support clients with making claims, and access to and completion of online UC journal entries. Older people in particular found it difficult to navigate the system.

*It was noted that most benefits are now online – not just universal credit. DHPs and housing benefit were also online and this could make it difficult for people to access.*

It was reported that some clients struggle with the complex interaction between online, telephone and in-person appointments. An initial claim is made online, then a telephone call must be made to book an appointment at the jobcentre. This must be booked within 7 days of completing the online claim. The appointment consists of an identity check and a conversation with a work coach.

One other specific issue raised was the inability of DWP staff to provide any estimate of how much housing support would be provided to a new claimant. This made budgeting almost impossible since the value of the claim would not be confirmed until the end of the assessment period. Repayment of an advance impacted on the net value of the monthly UC payment.

In relation to EU Nationals, participants reported issues for them being able to satisfy the ‘right to reside’ test in order to claim UC. This is commonly called the ‘habitual residence test’. Some clients were being refused universal credit because they are not accepted as being habitually resident or having a qualifying right to reside.

The test is administered during an identification appointment, but claimants had not been told in advance by DWP that particular information would be sought from them regarding habitual residence at that appointment.
Availability and standard of accommodation

- The high cost of placing people in B&B and temporary accommodation.
- Poor housing standards in some private rented, social rented and temporary accommodation.
- Rent increases on affordability. Some former council properties are now let for double the level of Council rent in some areas.

Participants reported an increasing number of private rental adverts stating ‘No DSS’. There was agreement that some landlords had been put off renting to benefit claimants because of the delays to payment of UC and DHP, therefore making it very difficult to find a landlord willing to take DSS.

Participants questioned the wisdom of the Council spending millions of pounds each year on temporary accommodation rather than using the money to build more homes for social rent.

Participants reported an increase in clients becoming homeless due to building up rent arrears, whether due to increasing rents not being covered by HB/UC/DHP or other issues such as sanctions.

Examples

One example cited was a delay in processing of a new claim by five weeks because a key piece of information had not been requested by a case manager at the appropriate point.

One client had experienced considerable difficulty and confusion in submitting a sick/fit note. After presenting at a jobcentre, the person had been told to submit the information online only for the online system to inform them that the document should be delivered to the jobcentre.

The five week wait was a strong concern, although waiting for payments were not just an issue for Universal Credit. One attendee also mentioned delays to processing housing benefit which had pushed her into rent arrears.

The long wait for social housing was also raised. One attendee, a young parent, waited 2½ years and was in temporary accommodation in the meantime.

It was reported that a single person or couple without children could face a period of 18-24 months in B&B accommodation. Many B&B properties were reported to be of a very poor standard. The rent charged for former Council flats in the Muirhouse area used as temporary accommodation was reported to be double that of an equivalent Council property (£780pcm vs £390pcm).

Solutions suggested included: the benefit system should cover rent payments in order not to push people into temporary accommodation or homelessness, a guarantee that landlords will get the rent paid through the benefit system and provision of deposit guarantee schemes.
Case studies

Case study 1 – (M) Female single parent, on legacy benefits, renting a small 2-bed flat

M receives housing benefit, child tax credit and working tax credits. Rents privately a small 2-bed and has been notified the rent is going up. She receives housing benefit and pays the difference between her rent and amount of benefit herself, in addition to approximately £126pcm for council tax. Her rent accounts for around 50% of her earnings.

M is left with approximately £50pw to spend on food bills and shopping. She feels she is doing ok as she is good at budgeting and managing her money and cooking. She has found WTC and CTC straightforward but not HB. M described herself as on the breadline - if her rent was to increase by much more she would have to look for another property.

She works 23 hours per week, currently around school hours and does not require childcare. She would be willing to work more if it was feasible. During school holidays her mother helps with childcare or she tries to share childcare with a friend.

Previously, in a different local authority, she had a council property. She was unable to find anyone to swap properties with on moving to Edinburgh, so she gave up her council house and moved in to more expensive privately rented accommodation. Subsequently, when moving to another (cheaper) private rental, her benefits were stopped for 2-3 weeks while her entitlement was recalculated (she had increased her weekly hours from 16 to 23). Her housing benefit was subsequently reduced.

When trying to secure her current property, M was told she didn’t earn enough, and she would need a guarantor and pay 6 months rent in advance. M felt fortunate her mum was able (and willing) to be a guarantor and to pay 6 months rent upfront. M then repaid her mum.

After notifying the Council about this arrangement, M was put under investigation and was required to provide additional documentation and bank statements to prove the source of funds. The documents were sent special delivery as M was worried about losing her housing benefits. M got an email from the council to say the documents hadn’t arrived and if not received in 3 days her benefits would be cut. M knew they had arrived and received another email days later confirming. M received no apology from the council for her documents being mislaid.

Case study 2 – (B) Single Male, on legacy benefits, in sheltered accommodation

B had privately rented his whole life, but due deteriorating health, and being limited in the type of work he could do, he found himself in the situation where he could no longer afford to live in most parts of Edinburgh.
Last year he was in a privately rented flat and the LHA covered the full rent. Unfortunately, this flat had multiple issues and B said it was not really fit for human habitation. Following eviction from his previous property, he was desperate for somewhere to live so signed the lease without thoroughly checking the property over. Although he lived with the majority of the issues, including having to turn on the gas cooker with pliers, some faults were so major that he contacted the landlord on several occasions to have them fixed. Towards the end of last year he received an eviction notice for this property, and he believes it is because the landlord did not want to fix the issues. With no-where else to go and his benefits not able to meet the costs of another property, this eviction resulted in him becoming homeless. Through the support of an organisation, he has now found a space in sheltered accommodation.

Although he would be happy to go back to private rented accommodation, he now finds property prices in Edinburgh too high. The level of benefits he is receiving is not enough to rent a property of sufficient standards and does not want to end up in a situation like he was last year. When asked if he looks for private accommodation in parts of Edinburgh he said, “It’s like window shopping on Princes Street. I can’t afford anything so why would I bother looking?”

The Council do try to help but their choices of properties are constantly narrowing. As he is a single male he feels that the housing the council offer are in the least desirable areas of the city and far away from where he is living now. As he suffers from mental health issues he has a network of support services which would have to be moved should he move to another area. He believes the cost implication of this outweighs any savings they would make by sending him to a different part of the city.

**Case study 3 – (J) Single male, on Universal Credit, privately renting (submitted evidence over the phone)**

J is claiming Universal Credit and has been staying in his privately rented property for 6 years. He described himself as having previously earned a good income and done well for himself.

J is currently unemployed and looking for work. He is under 35 and lives alone. His rent is £350 per month and he receives £270/£280 per month from UC towards housing. He says that he is not paid the full amount because he is under 35. He has not claimed DHP and only heard of DHP recently because someone mentioned it.

J says he does not get help from the jobcentre to look for work. He had one email over 3 months and he has had problems updating his online journal. He got in touch with DWP and he didn’t hear from them for months.

He also had problems initially claiming Universal Credit when he first stopped working. As he has been previously working, it took three months for any support to come through. He did complain but he feels this ‘falls on deaf ears’. J is also in debt for Council tax repayments. He said this had been referred to the Procurator Fiscal.
Previously J had a flatmate. Last year he handed in a joint tenancy document to DWP to declare it. Subsequently there was an investigation and the investigator said they had no record of this. DWP demanded that he pay back an overpayment of £2,000. As he challenged this it escalated. Because he did not pay back the initial amount they offered him the opportunity to pay back this debt plus an increase of 50% in order that the ‘fraud’ as they called it would not be investigated. That took it to a £3,000 debt.

J says his mental health is suffering. He finds it extremely difficult to sleep and is stressed and anxious. To cover the shortfall in rent J is using money he should be spending on food. He says food is a luxury. He often buys a £1.99 meal from McDonalds or uses the foodbank. He says every day is a struggle and he feels he is close to becoming homeless.

Case study 4 – (T) Single male, Unemployed, on legacy benefits, has a mortgage

T had previously rented in the private sector and spoke about some of the difficulties he had experienced. Fortunately, he was able to buy a property, but is now experiencing issues with the mortgage.

He is on an interest only mortgage which he says was originally covered by his benefits. About a year ago this changed, and the payments are now sent directly to the mortgage provider and act as a loan for the period that he owns the property. He now thinks that at the end of his mortgage he will have to sell his house in order to pay back the loan. This is causing him some distress as although he owns a property, he does not know what his future accommodation arrangements will be when he is older.

He is currently on ESA and does not know what will happen when he starts working again, or when he changes to Universal Credit. He has tried looking through the paper work to find out what system he is on and what is expected of him at the end of the mortgage, however he finds it too complicated. He would like to see more clarity in the system so claimants can understand what they are signing up to.