

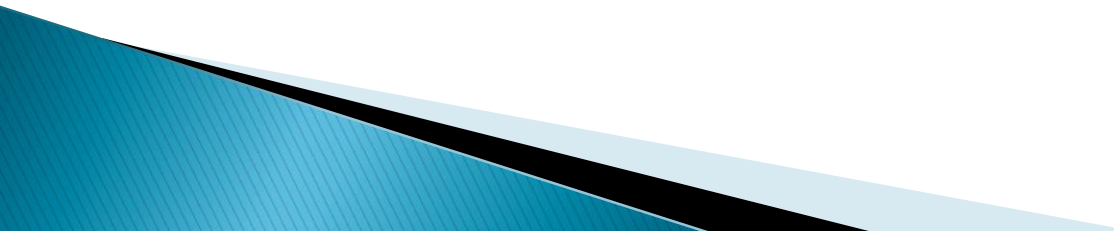
APSE ANNUAL SEMINAR 2014

The Impact of Welfare Reform on Scottish Local Housing Authorities

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Content of presentation

- ▶ **Impact on council housing budgets & services**
 - ▶ **Impact on temporary (& supported) accommodation**
 - ▶ **Implications of Universal Credit**
 - ▶ **What should councils be doing to plan ahead ?**
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Impact on Council housing departments

- ▶ Bedroom tax dominated debate so far
- ▶ Main impact *revenue reductions* (increased arrears –COSLA est. £15m pa) plus personal impact
- ▶ £6m support cost (money advice etc)
- ▶ Mitigated (but not wholly) by DHPs
- ▶ No comprehensive research yet on financial and other impacts (COSLA say £100m)

Impact on council housing departments (2)

- ▶ Potential revenue impacts (short, medium, long) reflected in amended HRA Business Plans

Key impacts could be :

- ▶ Service reductions (new duties?)
- ▶ New build plans reduced or shelved
- ▶ Above inflation rent increases
- ▶ More “efficiencies” or job losses

WR & temporary accommodation

- ▶ Importance of TA in context of 2012 homelessness commitment (5270 LA units excl. hostels)

Issues

- ▶ TA also subject to bedroom tax
- ▶ Under UC change to funding basis from HB for actual cost to LHA (+ £45 management fee)
- ▶ COSLA est. costs at £25million
- ▶ Impact too on supported accom.

Impact on *people*

- ▶ Bedroom tax bad enough but impact of other benefit changes may be worse
- ▶ E.G.
- ▶ Changes to disability benefits (DLA to PIP)
- ▶ Suspensions of existing benefits e.g. JSA (55,000 in Scotland)
- ▶ Mitigation via DHPs, SWF, food banks ?
- ▶ Single people may be coming off worst
- ▶ threat of evictions and homelessness
- ▶ councils a key bulwark to mitigate impacts

Impact of Universal Credit

- ▶ Significant delays & on-going problems, but *UC will still happen , & some big issues for us*
- ▶ Key challenge is switch to *direct rent payments* (COSLA est. £50million at risk before safeguards)
- ▶ Tenants *without bank accounts* (financial inclusion) – role for CU's?
- ▶ or *budgeting skills* (tenancy sustainment & avoiding eviction /homelessness)
- ▶ *Employability* (for tenants able to work or coming off disability benefits)

- ▶ *“Life will not be the same again. We need to wake up and smell the coffee!” DCHA UC pilot*

What should Councils be doing to plan ahead ? (or, you ain't seen nothin' yet)

- ▶ *Scale of challenge – SG est. £4.5billion lost from Scottish economy by 14/15!*
- ▶ Cuts only 25% so far (and 45% next year)
- ▶ Generate *long term support mechanisms*
- ▶ Redouble efforts re TA & SA (outsource ?)
- ▶ Greater emphasis on *employability & financial inclusion* needs, & effective links with appropriate services
- ▶ better links & info exchange with DWP

engage with tenants, and identify most vulnerable (not as easy as it sounds !)