

SUBMISSION FROM SHELTER SCOTLAND

Shelter Scotland welcomes this opportunity to submit evidence on the Welfare Reform (Further Provision) (Scotland) Bill to the Welfare Reform Committee. We welcome the setting up of the committee to monitor the UK Welfare Reform Act's implementation. Shelter Scotland believes it is vital that the most vulnerable households who will face increasing hardship and the risk of homelessness as the cumulative impact of all of the welfare reform changes comes into force are fully supported.

The Welfare Reform (Further Provision) (Scotland) Bill is an enabling Bill which is focussed primarily but not exclusively on devolved pass-ported benefits in Scotland. Shelter Scotland recognises the importance of these benefits for households on lower incomes.

At Shelter Scotland we work primarily with families to prevent homelessness having a long term impact on their children's life chances. We know how important benefits in kind such as free school meals and cash entitlements such as educational maintenance allowances are to parents and children rebuilding their lives. Any interruption to these critical programmes would have a deeply debilitating impact on the household budgets of the most vulnerable households in Scotland and longer term could lead to a financial burden for local authorities greater than the existing cost of these schemes.

It is therefore essential that Scottish Ministers have the necessary powers set out in the Welfare Reform (Further Provision) (Scotland) Bill to ensure continuity of these critical entitlements. Shelter Scotland supports the principles of the Bill as proposed.

Other organisations in Scotland are better placed to comment directly on the implications for benefits such as blue badge parking permits and the introduction of Personal Independent Payments.

We would encourage the committee to consider this Bill along with the other welfare reform changes brought in by the introduction of universal credit. In particular the changes to housing benefit and Local Housing Allowance should be considered, as they will have such far reaching and serious consequences for households throughout Scotland.

Impact on Scotland's 2012 homelessness commitment

The combined impact of the measures in the Welfare Reform Act 2012 will add to the challenge of meeting the 2012 commitment which says that all unintentionally homeless households will be entitled to a permanent home. Scottish government analysis of the

impact of the welfare reform cuts in Scotland point to rising levels of homelessness and hardship. These cuts not only undermine the recent progress local authorities have made in preventing homelessness, but crucially will also threaten their ability to remedy homelessness.

Wider impact of the Welfare Reform Act on housing in Scotland

Shelter Scotland supports the principle of a universal credit, especially measures to tackle work disincentives and to simplify the system. The employment barriers for claimants and the excessive complexity of the housing benefit system are common issues for our clients.

However, the first and second wave of cuts brought in by the Welfare Reform Act will seriously undermine the **housing safety net**. We will see the cuts impact on people who lose their jobs and need temporary financial help to keep their homes, as well as affecting those who are in work but on very low income, or who are unable to work due to old age or disability.

We believe that the following cuts will have a disproportionately detrimental effect on vulnerable families in Scotland.

- Each successive restriction in housing benefit levels will reduce the availability of affordable accommodation to low income households. Particularly in remote or rural areas of Scotland where the private rented market is sparse, or where there is a limited supply of social rented properties. Households could be left with the choice of moving far away from jobs, family and friends to find affordable housing, or accepting higher rents leading to hardship, rent arrears and homelessness.
- Measures such as the under occupation cut and the extension of the shared room rate will undermine the ability of local authorities to provide all unintentionally homeless households with settled accommodation.
- The interconnectedness of the housing system will make it inevitable that cuts felt in one area such as private renting, will result in increased homelessness presentations to local authorities. Scottish government estimates that there will be **3000 more homeless presentations** during the period of transition taking into account only the first 2 cuts - the move to basing Local Housing Allowance on the

30% percentile of rents and the removal of the £15 excess. With the impact of the further cuts still to be calculated we can only assume that the number of homeless presentations will rise in line.

This enabling bill is set within the context of a complex and significant set of reforms at the UK level with more to follow in light of the Chancellor's intention to cut a further £10 billion from the welfare budget.

Shelter Scotland is keen to work with the Welfare Reform committee to look at the impact of the reforms and how local authorities are supported to mitigate the impact of the reforms on vulnerable households.

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