



# National Policy Changes

## The Impact on Incommunities

# Spare Room Subsidy / Bedroom Tax Impact



- ▶ June 2015: 1,627 affected
- ▶ 1,099 customers have moved home
- ▶ 726 customers are worse off in terms of their rent account
- ▶ 300 customers supported with removal cost support
- ▶ Discretionary Housing Payments (DHP) have eased customers worries but more claimants will claim from the same size budget next year.



# Removing automatic entitlement to Housing Benefit for 18-21 year olds.



- 126 current households at risk
- £586k of rental losses to these customers
- £415k void and rent losses if all these tenancies terminate
- Future demand is reduced

# Benefit Cap is reduced to £20k



- **Further reductions for the existing Benefit Cap affected families**

income losses to these households of £402k or average of £100 each week

- **150 new households affected**

income losses to these households of £263k

- **Total losses £665k**



# Universal Credit



- ▶ Introduced in Bradford from November 2015.
- ▶ New, JSA claimants only
- ▶ Wider migration likely 2017 and beyond
- ▶ 10,000 customers likely to be affected by UC at some point
- ▶ Majority Incommunities customers are in the bottom 10% income band
- ▶ ‘Digital by default’ – online access and a bank account
- ▶ Customers need to budget monthly
- ▶ UC paid in arrears
- ▶ Requirement to seek work ‘full time’



# Other Changes

- Benefit freezes for 2 years to means tested benefits for 5,400 working age customers
- Over 5,000 customers affected by 2-year freeze to tax credits and child benefits
- And still..... there are gaps between these changes and the proposed £12bn of eventual savings



# Right to buy extended to housing association customers



- Up to 7,500 customers would gain right to buy with bigger discount
- An extra 40/50 sales each year



# Impact on Incommunities of 1% reduction over next 4 years



- Departure from 10 year rent agreement
- Old formula =  $CPI+1\%$
- Reduction builds over 4 years
- Sustained income cut from 2021, 15% less.



# Customer incomes



Most Incommunities customers are in the bottom 10% band for income

Average income for our households is £13K, Bradford average is £31.7K, national average is £38.5K

43% of sample had debt to Incommunities cf 33% of all working age customers had debt to Incommunities

Average disposable income was £5.00 per week

Unemployed- less income but less debt

Employed- more income but more debt, is work paying?

# What we know about studying our customers...

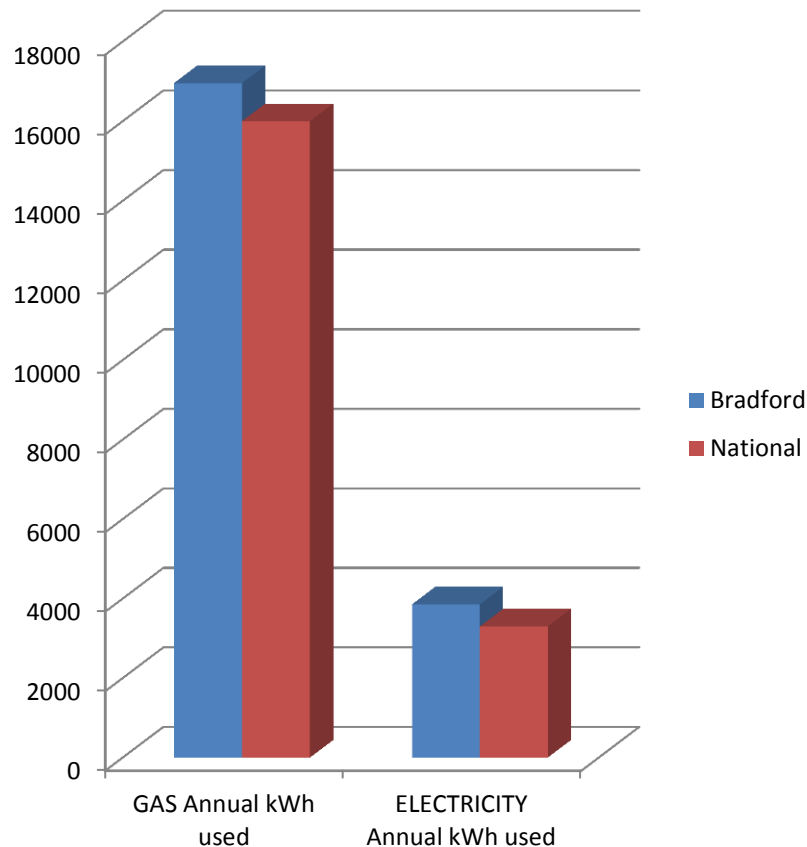


Study of 450 customer lives in detail (of these):

- ▶ 79% weekly shortfall between income and expenditure
- ▶ 71% had overdue debts
- ▶ 56% are households with only one adult
- ▶ 85% are contributing towards their rent (in work)
- ▶ 50% of households have someone in employment
- ▶ Debts to agencies like Incommunities, DWP, HMRC were a bigger issue than pay day lenders. They made a bad situation worse.



# Fuel Poverty



- Study on 128 homes across all tenure shows average consumption in Bradford higher than national average
- Increases annual bills by £34
- Over 70% of sample in fuel poverty
- To end fuel poverty, (over 15% of income on fuel), increase weekly income by £75 or reduce fuel by £7 per week.
- Reductions in income will increase this “gap”
- Increase in reports of damp and mould

# Private sector in Bradford

	No. of properties	Average Marketing time
<ul style="list-style-type: none"> <li>Wide availability of affordable private rented sector options</li> </ul>	<u>Rent under £250 pcm rent</u>	28 177 days
	<u>£250 to £500 pcm rent</u>	874 109 days
<ul style="list-style-type: none"> <li>PRS still struggling with marketing time compared to other local areas – suggesting Bradford demand issue</li> </ul>	<u>£500 to £1,000 pcm rent</u>	342 60 days
	<u>£1,000 to £2,000 pcm rent</u>	16 85 days
	<u>£2,000 to £3,000 pcm rent</u>	3 77 days



Thank you

Any questions?