

Newsletter No 2

14 April 2014

Research Focus

Tenants struggling to cope

Two significant new reports from the Joseph Rowntree Foundation (JRF) were published last week looking at the impact of recent welfare reforms.

The first report looks at the impact of the government's removal of the spare room subsidy (dubbed the “**bedroom tax**” by its critics) for social housing tenants:

Since April last year, social housing tenants who, under the new rules, are considered to have one bedroom too many for their needs, have had their housing benefit reduced by 14%. Those judged to have two spare bedrooms have had their benefit reduced by 25%. At the moment the change does not affect pensioners.

The research found that only 6% of tenants had moved house as a consequence of the policy change in the first 6 months. The report identifies that more than 100,000 nationally wanted to move but were unable to. Of those who have not moved, half of them have some rent arrears as a consequence of the reduction in Housing Benefit, according to JRF.

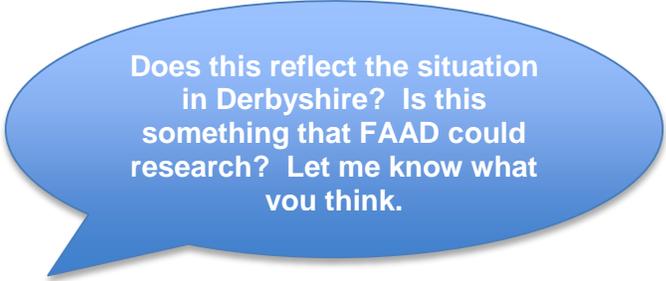
The second report looked at the impact of wider welfare reforms on social housing landlords and

tenants. Tenants told researchers that they were **choosing between heating and eating**. Three quarters had cut down on food bills and others have been referred to food banks. People are more vulnerable to debt and are borrowing money from friends and family. Tenants were putting more effort into finding work, training or skills, but jobs tended to be poorly paid or short hours and with little security.

Social landlords are finding that more costs have been transferred to them, with more rigorous checks on new applicants around affordability, the costs of providing advice and support to tenants on benefits, jobs and training. Rising fuel costs were seen as a cause of increasing poverty and energy saving advice is a growing priority for social landlords.

Find the full reports here

<http://www.jrf.org.uk/publications/impact-welfare-reform-social-landlords-and-tenants>



Does this reflect the situation in Derbyshire? Is this something that FAAD could research? Let me know what you think.

No surprises

Payday lenders are being used more than credit unions according to a new survey carried out by

insolvency trade body R3. The survey questioned over 2000 British adults and found that 4% had taken out a payday loan in the past 6 months whilst only 2% had borrowed from a credit union.

Adults aged 24 to 35 were the most likely group to have used a payday lender with 8% saying that they had used a high cost short term lender.

43% of the sample said that they often or sometimes struggle to make it to payday.

The full article can be read here.

[Transact article on R3 survey](#)

Council Tax Support

JRF also produced a report on how low-income families have been impacted by changes to Council Tax Support (CTS) one year on from its introduction.

Only 45 councils (out of 326) will continue to provide the same level of support under CTS as they previously provided through CTB. 244 Councils now require all households to pay at least something towards their Council Tax.

The report showed that in 2014/15 more than 2 million low income working age families will pay on average £149 more in Council Tax per year than they would have paid previously. Of these 1.5 million were in poverty (measured after housing costs) and 1.8 million were workless households).

Levels of arrears and bailiff referrals linked to non-payment of Council Tax have gone up since the introduction of CTS while the collection rate fell. The largest increases in arrears were in areas where a minimum payment was introduced according to the JRF.

Click here for the full report

[JRF Council tax report](#)

Universal Credit

A review of the Local Authority led pilots has just landed on my desk – I will review for the next issue!

Partnership Round up

7 May 2014 Debt First Aid Training 10am – 12pm

Matlock Town Hall

Derbyshire Districts Citizens Advice Bureau as part of the Improving Services Together Project has designed this short 2 hour course to help frontline workers to support clients, service users and members of the public who are in debt to access the advice they need. By the end of the two hour course you will be able to;

- recognise the range of debts people may have
- identify priority debts
- identify non-priority debts
- explain what is the worst a non-priority creditor can do
- explain what paperwork to take for money advice
- explain the debt advice procedure and its benefits
- know where best to refer people to access debt advice

To book a place on the training course please visit <http://www.eventbrite.co.uk/e/debt-first-aid-training-tickets-11278695883> or contact Sarah-Jane at sarah-jane.pickering@ddcab.org.uk

20 May 7 pm RABI Summer Party, Tissington Hall
contact Millie Wastie 07525 323450

Contacts

Email b.parker@ruralactionderbyshire.org.uk
Or c.thornber@ruralactionderbyshire.org.uk

Telephone 01629 821929