

PIW 09

Communities, Equality and Local Government Committee

Inquiry into: Poverty in Wales Strand 4

Response from: Community Housing Cymru Group

Inquiry into Poverty in Wales Strand 4: community-based approaches to tackling poverty. Community Housing Cymru Group response

About Us

The Community Housing Cymru Group (CHC Group) is the representative body for housing associations and community mutuals in Wales, which are all not-for profit organisations. Our members provide over 158,000 homes and related housing services across Wales. In 2013/14, our members directly employed 8,400 people and spent almost £2bn (directly and indirectly) in the economy, with 81% of this spend retained in Wales. Our members work closely with local government, third sector organisations and the Welsh Government to provide a range of services in communities across Wales.

Our objectives are to:

- Be the leading voice of the social housing sector.
- Promote the social housing sector in Wales.
- **Promote the relief of financial hardship** through the sector's provision of low cost social housing.
- Provide services, education, training, information, advice and support to members.
- Encourage and facilitate the provision, construction, improvement and management of low cost social housing by housing associations in Wales.

In 2010, CHC formed a group structure with Care & Repair Cymru and CREW Regeneration Wales, in order to jointly champion not-for-profit housing, care and regeneration.

Housing associations do not just provide bricks and mortar: all of our members provide care and / or support in addition to their landlord role.

Tackling poverty in Wales must be addressed within the context of other social and economic issues, such as severe advice service cuts, high levels of debt and low levels of digital inclusion.

In-work poverty is a growing problem due to the expectation that people will move into low-paid, or zero hours contract jobs or face sanctions:

- In three years to 2011/12, 690,000 people (23%) were living in low-income households in Wales.
- 29% of people in 'part-working' families had low household incomes, but only 7% of those in 'full-working' families. For some, working more hours is part of the answer to in-work poverty.

- 23% of employees earning less than the UK 'Living Wage' had low household incomes, but only 3% of those earning more. As well as working more hours, higher pay is part of the answer to in-work poverty.¹

We are therefore extremely concerned about the impact that the transition to Universal Credit and the associated potential reduced income will have on the ability of people to sustain their tenancies.

Fuel poverty in Wales

According to the Wales Fuel Poverty Projection Tool released in 2013, 31 percent of social housing tenants in Wales still lived in fuel poverty in 2012, equating to 70,000 households, which is a rise of 6 per cent from 2008 indicators. In 2012, 30% of households and 33% of vulnerable households in Wales were estimated to be in fuel poverty. The latest official figures from the Department for Energy and Climate Change reveal that 29% of households in Wales are in fuel poverty compared to 25% in Scotland and 15% in England. The rise in fuel poverty since 2008 has increased as a result of a number of factors; since 2008, tenants living in HA properties have been affected significantly by rising fuel bills, benefit changes and the bedroom tax. High energy prices in Wales are compounded by the energy inefficiency of Welsh housing and lack of access to mains gas in rural areas.

Recent information from the National Housing Federation has identified that 26% of 'bedroom tax' claimants have cut back on heating to pay for the cut in housing benefit. Tenants often face the choice between heating their home.

Fuel poverty is often worse for those in rural areas than for those living in urban locations. Therefore action to tackle fuel poverty must reflect this and not be separated into single issues that fall under different policy silos, as this bears little resemblance to the everyday circumstances of people living in this situation. The CHC Group feels that rural fuel poverty needs to be recognised and addressed specifically by the Welsh Government. There is a need for the Welsh Government to develop specific rural fuel poverty policies to support rural tenants in fuel poverty. The cost of living in rural areas is higher than in more densely populated areas. Tenants and homeowners living in rural areas are more likely to be in fuel poverty as they are required to pay more for energy, transport and food.

Many of our members operate in rural areas of Wales where fuel poverty can be distinctive due to the number of hard to treat properties and the number of properties off the gas grid which house many vulnerable tenants. Wales as a whole has a high proportion of hard to treat properties. These are properties where low cost solutions to improving energy efficiency

¹Monitoring poverty and social exclusion in Wales 2013
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such as cavity wall insulation and loft insulation are not appropriate, for example, buildings with solid stone walls such as traditional tenements, multi-storey flats and timber frame buildings. The issue of 'hard to treat' homes remains a difficult problem in Wales, largely due to the high number of urban properties built before 1920 and the number of poorly constructed rural properties with solid walls. The challenge from the existing stock is enormous and one which poses problems across Wales due to the various age ranges of the stock and the varying degrees to energy saving techniques adopted. Hard-to-heat homes are going to be the hardest to upgrade.

Wales also has a high proportion of properties that are off the gas network and households that do not have access to mains gas are more likely to experience fuel poverty than households who do, because of the higher costs of other fuels.

Rural, traditional HAs have a smaller number of stock and members have stated that this affects their ability to attract energy efficiency funding for energy inefficient housing stock as stock is dispersed. Some stock in rural areas is hard to treat housing, possessing low SAP ratings. Choice is limited for householders and tenants living in rural, off-gas areas, who rely on costlier oil and LRG gas to heat their homes. The cost of oil and LPG gas is a problem for many tenants; it is harder to budget compared to gas and other heating systems. Rural HA's also have the highest proportion of homes off grid with higher energy costs. One HA in South West Wales has 451 off grid properties, amounting to 19% of its total stock. Many HAs with stock in rural areas continue to look at new technology (including renewable technologies) to tackle rural fuel poverty. The CHC Group and members are keen to work with the Welsh Government to develop specific rural fuel poverty policies to support rural tenants and homeowners in fuel poverty. The CHC Group and its members also wish to work with the Welsh Government to develop a targeted energy efficiency programme targeting rural off gas areas.

A report from the construction council in the UK states that at least a million off-gas solid walls need to be targeted for energy efficiency improvements. CHC would assume that the figure is even higher and that a large percentage of that is in rural Wales. At the moment, there is no real solution to that problem and feedback from members suggest that current and past energy efficiency programmes do/did not sufficiently target those areas. There are areas, particularly rural areas, and marginal areas, that will not have qualified previously for grants because they are not in that lower % of lower super-output areas in Wales. Yet, fuel poverty does exist there and can be there in quite high levels.

Welsh Government must work with its partners to address skills gaps in the energy sector in particular. The age profile and condition of existing housing stock - still including solid walled dwellings – requires grant targeting and specific regeneration schemes. The energy company obligation (ECO) began to help address these particular problems but the changes and cuts to ECO have impacted the sector hugely. Housing stock in rural areas is more dispersed and therefore more resource intensive to create and run programmes. There is recognition that there is a premium to delivering improvement programmes in some areas of

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rural Wales. There is also a much lower construction capacity in those areas in terms of expertise and skill. Therefore, further support for rural areas is required to enable those programmes.

CHC believes that renewable energy technologies have a greater part to play in tackling fuel poverty and the wider poverty agenda, than is being implemented at present. While the use of more clean renewable energy has to be a priority, for those fuel poor households who are currently using domestic oil for the foreseeable future, more needs to be done to develop and promote affordable payment plans. As many domestic oil distributors in Wales are small, family-run businesses, the possibility of financial assistance from the main oil suppliers and/or Government to help cover the costs involved in setting up such plans should be explored. Communities should also receive advice on how to set-up bulk-buying groups to help minimise delivery costs for smaller amounts of oil. These have already been successfully implemented in some areas.

Housing Associations and area-based anti-poverty programmes

Many housing association tenants are financially excluded and consequently at risk of social exclusion and homelessness. We estimate that social housing tenants make up 60% of all financially excluded individuals and are likely to have low levels of financial capability.²

To address this, Welsh housing associations undertake huge amounts of preventative work via their own anti-poverty and financial inclusion and education programmes and initiatives. They work in partnership with local authorities, credit unions, Moneyline Cymru, advice agencies and the Your Benefits are Changing campaign to develop well-rounded, accessible services. This support is particularly important in light of impending direct payment of rent to the claimant, under Universal Credit.

Your Benefits Are Changing

(YBAC) is a CHC and housing association initiative which comprises a pan-Wales awareness-raising campaign and a phone line which offers support and information. Crucially, YBAC visits communities in some of the hardest to reach areas, to ensure the message is delivered to those who are most excluded.

YBAC targets the most vulnerable in the hardest to reach areas to make sure they understand how changes to the political and economic landscape will impact upon them and help them take control of their lives and find solutions.

² Financial Inclusion and Housing: Baseline survey, Chartered Institute of Housing
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In 2014 the Your Benefits are Changing Budget Bus attended 14 community days across Wales where they:

- Started 839 new advice cases
- Distributed over 7,000 pieces of literature
- Spoken in detail to 2,190 people about changes that affect them directly
- Explained the impact Universal Credit would have on the 44% of households who had never heard of it.

YBAC's aim is to:

- Run a **Wales-wide** communications campaign to coincide with the roll out of Universal Credit, which will provide geographical consistency.
- Expand and develop our services to make sure we are reaching those on the periphery of changes, for example, the working poor by working with **community-based partners**.
- Reach **communities** and communicate with the very hardest to reach by working with partners and attend events in communities across Wales via outreach, with a focus on rural communities.
- Develop a **consistent** approach for communicating changes to individuals, which partner organisations can tap into and utilise to ensure best use of resources.

YBAC is highly successful in reaching hard-to-reach communities but more must be done to continue this work, particularly in targeting those who are in in-work poverty in rural areas, who experience transportation and childcare in their severest forms.

For many, it is not only the cost of childcare which is prohibitive but fact that this is typically only available 8am – 6pm with minimum hours rules. For many families who need to take up seasonal or flexible employment, particularly if their commute is a long one, childcare is not an option and is therefore a major barrier to work.

Improving community health

The combination of poverty, welfare reform, cuts to the supporting people programme, and demand for housing, the need for tenancy support and the broader role of the sector supporting health, employment and independence has led to a situation where housing associations, like the NHS and other public services have no option but to be prudent.

The prudent healthcare principles currently being implemented in the NHS in Wales resonates strongly with the work of housing associations in Wales. The underpinning message of collaboration with the public is vital and opens the door for a common approach, a common language and a consistency of outcome for those we work with.

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To make prudent healthcare work it is vital that we, together with the public, become experts in nurturing the potential in people to fully realise their value, ambition and role within society. In the housing association sector in Wales, we have seen the massive value tenant scrutiny, focus groups and volunteers can bring. Utilised in business improvement, developing stronger communities and person development shows this approach has high valuable outcomes for all involved.

Understanding this value, housing associations in Wales work with communities to support ongoing activities that ensure voice and control in how housing associations operate as well as improving health and wellbeing through involvement in community activity.

Timebanking, first conceived by Edgar Cahn when he himself was sat in a hospital bed recovering from a heart attack³ is a method of engaging communities and rewarding people for investing their time, skills and expertise between each other and with organisations alike. This is an approach that has been successfully adopted by many housing associations in Wales.

Timebanking is very simple. For each hour a person gives, they receive a timecredit which can be redeemed against a range of activities provided by large national organisations as well as local independent providers. The benefits could include trips to the cinema, access to leisure facilities and a variety of day-trips.⁴

What timebanking demonstrates is that the grass-roots driven support within communities is in many instances alive and well. It is precisely this type of activity that prudent healthcare encourages us as organisations and as individuals to tap into. Re-defining the relationship with the public must include a push towards fully valuing what people can and already are offering within their locality.

A recent, wide ranging data collection exercise completed by Spice found timebanking had benefitted respondents in the following ways:

- 45% reported feeling healthier
- 95 people have been incentivised to start a community group
- 19% said they had visited the doctor less since earning and using timecredits
- 76% felt they could contribute more time⁵

³ Edgar Cahn http://www.timebanking.org.uk/edgar_cahn.asp [accessed 2 December 2014]

⁴ United Welsh Housing Association – Welcome to the World of Timebanking.

⁵ An Evaluation of Spice Time Credits.

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Digital Inclusion

The introduction of Universal Credit means that there is a clear business case for housing associations to invest in digital inclusion support for their tenants. Housing associations work in partnership with Communities 2.0, local authorities, credit unions, advice agencies and CHC's Your Benefits are Changing (YBAC) campaign to develop well-rounded, accessible services and address the needs of the whole household and the wider community, rather than just the needs of the individual.

YBAC can be used as a tool, through which to engage with digitally excluded people. Universal Credit is a huge incentive for claimants to get online and the current timelines suggests we have approximately 2 years to prepare approximately 500,000 UC claimants in Wales. YBAC drives home the message that internet access is essential in order to; claim benefits, practise effective financial management and access better deals.

Additionally, CHC is working with the sector on a member-led Task and Finish group to look at ways of overcoming the cost barrier to broadband for social housing tenants. A report including the research and findings undertaken by the T&F group and a suggested recommendation to overcome the affordability barrier was completed in December 2013. Additionally, CHC set up a Digital Inclusion Group for those involved in digital inclusion within the sector to meet on a quarterly basis for networking and discussion of current issues.

CHC is currently working with Wales Cooperative Centre to increase broadband access and overcome financial and geographical barriers in the hardest to reach areas.

More must be done in terms of addressing digital exclusion in Wales. The lack of internet connectivity in Wales means that even after training, individuals are unable to deploy the skills they have learned within their own homes and benefit from the many savings the internet can bring. This must be urgently addressed, particularly within the context of Universal Credit, where claimants will be expected to apply for benefits online. Anecdotal evidence suggests that increasingly, not having internet access is leading to families having their benefits cut because they are unable to search for jobs demanded by changes to welfare reforms.

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The effectiveness of area-based anti-poverty programmes, such as Communities First

Much of the feedback we have received from the sector suggests that the effectiveness of anti-poverty programmes is dependent upon awareness levels of partners and stakeholders and also service users.

In many Local Authority areas, third sector partners such as housing associations are unaware of the work being undertaken by their local authority dedicated Anti-Poverty Champion and there is a general lack of partnership building between third sector services.

Communities First

Our members work in partnership with Communities First and the Lift programme, to maximise on resources and ensure the most vulnerable in our communities are able to access services.

We welcomed the appointment of a dedicated partnership manager to oversee the collaboration between Communities First, Families First and Flying Start programmes in each area has been welcomed and has allayed initial concerns around duplication of services to some degree. However, we have concerns that progress will diminish at the end of these fixed-term posts. We therefore urge Welsh Government to consider the continuation of funding for these posts.

Flying Start in Caerphilly is an example of excellent collaboration between a local authority and housing association. A partnership approach to delivery between **Charter Housing** and Caerphilly County Borough Council, means that Flying Start is now up and running on and around the Fairview Estate, with fully integrated service based at the newly refurbished Fairview House. From here a team of trained Flying Start childcare staff and Health Visitors operate a dedicated service in the community.

However, feedback from the sector further suggests that service users themselves are still unaware of the support available to them from Flying Start and Families First unless they are already engaged with Communities First services and more must be done to remedy this.

Supporting People Programme

Housing associations already play a vital role in working with communities to change health behaviours, support the management of chronic conditions at home and support people to negate the need for NHS treatment. The supporting people programme in Wales means that

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housing associations are able to provide preventative services to a range of potentially vulnerable groups including:

- Homelessness
- Ex-offender
- Substance misuse
- Individuals escaping domestic abuse
- Older people

However, with a proposed cut of £10Million included in Welsh Government's recent draft budget there is a very real danger that the flow of people both seeking and requiring NHS treatment will increase dramatically. It is worth highlighting that not only does the programme provide supported housing and floating support services but, as part of the package of support and a one to one service produce:

- Healthy eating initiatives
- Increase physical activity
- Support and sustain community activity
- Link people with education and employment opportunities

The Supporting People budget demonstrates that an investment in health often means investing outside the hospital door and the provision of core health services. Without it there would be an increase in the number of people requiring longer-term, NHS interventions due to not being supported at an earlier time. Against the backdrop of welfare reform and many communities experiencing prolonged poverty it is vital that this type of support can combat the unique pressures being faced by many families and individuals across Wales.

More broadly, the programme addresses a wide range of socio-economic factors which combine to place and maintain people in a cycle of poverty.

Progress on the recommendations of the National Assembly's former Rural Development Committee's 2008 report into 'Poverty and deprivation in rural Wales':

Affordable housing is the lifeblood of any sustainable rural community. A lack of affordable housing means a lack of people, and a lack of local people means a decreasing need for rural services and local amenities.

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CHC works in partnership with Welsh Government and WLGA via a strategic rural housing network. Our rural housing strategic group feeds into Welsh Government on rural housing policy and strategic issues and holds a number of focused task & finish groups, to take forward policy issues on rural housing in Wales. In 2014, Community Housing Cymru, working with the National Housing Federation, housing associations, Rural Housing Enablers and local authorities, led on Rural Week⁶, which presented housing associations with an opportunity to highlight successes and challenges around housing in a rural context.

On average, rural housing prices in Wales remain at a very high level; are still 40% higher than in urban areas although the consultation on the Planning Bill provided an opportunity to influence planning law and guidance on affordable housing in rural areas. Our members work creatively, in partnership with other stakeholders, to increase housing supply and have already delivered 74 per cent of all additional affordable housing during 2013/14. Having signed a Housing Supply Pact with Welsh Government in return for continued investment, a fair rents policy and a sector code of Governance and despite the current economic climate, our contribution of 1,799 homes in 2013/14 will go some way towards achieving the overall target of 10,000 homes during this term of Government.

For example, The Powys Community Land Trust (CLT) was established in 2007 to look at providing affordable homes for local people. A site designated for affordable housing as part of a larger private development of open market homes was identified and Mid Wales Housing Association are working in partnership with Powys County Council, the Rural Housing Enabler to progress the scheme without additional grant. The homes will be marketed at intermediate rent and be available for affordable sale.

In addition to this, Powys Council used their loans assistance scheme to bring 101 homes back into use in 2013/2014, including 70 homes let at an affordable rent level through Cefni Lettings.

However, more support is needed from residents in the county as new completions are still falling in some rural local authorities; in Powys, the number of completed homes during the year 2013/2014 decreased compared with the previous record year. In total 177 homes were completed in Powys, according to Welsh Government statistics. The completions include 19 homes built by housing associations and 158 by the private sector. This is the lowest number since 2008/2009.

The Welsh Government is on course to meet the target of bringing 5,000 empty properties back to use by the next Assembly elections. Since 1 April 2011, direct action by local authorities has resulted in bringing 2,178 empty private sector dwellings back into use. However, according to figures from the Vale of Glamorgan Council, 320 families in need of affordable rural housing are still priced out of the market. The local authority and its housing association partners (Newydd, Hafod, United Welsh and Wales & West Housing Association)

⁶ Evaluation of Rural Week http://chcymru.org.uk/uploads/events_attachments/Rural_Week_2014_-_Evaluation.pdf

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have been working hard to build new affordable homes in rural areas since they signed the Rural Housing Pledge in 2012.

Since 2004 Rural Housing Enablers have helped deliver 186 affordable homes, with a further 240 in the pipeline, according to the Evaluation of RHE's published in January 2014.

It is universally considered that the loss of an existing RHE project would reduce the already low levels of rural affordable housing delivery. Delivery is also held back by a lack of capital funding, limited site supply, out of date local plans, planning policies that do not take account of financial viability and a lack of strategic leadership. All these issues can be influenced by but are outside the direct control of the RHEs.

Our recommendations:

- In-work poverty is a growing problem. More help and advice must be targeted at those in in-work poverty, particularly in rural areas and communities where digital and financial inclusion is low. More funding must be provided for targeting those who are on low income work to help raise awareness of the roll out of Universal Credit and help claimants navigate the new process.
- Funding must be available for a targeted energy efficiency programme, to tackle rural off-gas areas.
- We recommend more effective promotion and co-ordination of anti-poverty programmes, targeting both for service users and partners, to reduce duplication and avoid confusion.
- Given the multiple benefits of current Supporting People funding, we strongly recommend ring-fenced and continued funding as a priority.
- In order to help meet the new affordable housing target and ensure rural areas receive appropriate specialist assistance, we recommended continued funding for Rural Housing Enablers.

Community Housing Cymru January 2015

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