

Response to the Social Security Advisory Committee:

The Housing Benefit (Amendment) Regulations 2011

June 2011

1. National Association of Welfare Rights Advisers

The National Association of Welfare Rights Advisers (NAWRA) was established in 1992 and represents advisers from local authorities, the voluntary sector, trade unions, solicitors and other organisations who provide legal advice on social security and tax credits.

We strive to challenge, influence and improve welfare rights policy and legislation, as well as identifying and sharing good practice amongst our members.

NAWRA holds a number of conferences throughout the year across the UK, attended by members from all sectors of the industry. An integral part of these events are workshops that help to develop and lead good practice.

Our members have much experience in providing both front line legal advice on benefits and in providing training and information as well as policy support and development. As such NAWRA is able to bring much knowledge and insight to this consultation exercise.

The response has been put together using contributions from our members via social networking methods and at our June 2011 conference meeting held in Sheffield.

NAWRA is happy to be contacted to provide clarification on anything contained within this document. Contact can be made via the Secretary at the address on the front cover.

2. Response to the proposed amendments

Overall NAWRA has serious concerns about the possible detrimental effects on a large number of claimants who will fall within the scope of these amendments. These worries are confirmed through informal contacts and discussions with those working within the provision of housing benefits and housing services. It is our belief that the proposed changes will cause real difficulties for many people who are reliant on HB and will contribute to social problems within a large number of communities where the nature of the rented housing supply will simply be unable to adapt.

3. The policy intentions

NAWRA believes that the stated policy intentions are deeply flawed. NAWRA members do not accept that there is a large number of HB claimants for whom relying on the benefit is an active choice and are not aware of reliable evidence that suggests otherwise. The great majority of HB claimants who are in low paid jobs actively seek to improve their situation.

In term of “fairness” the existing (and those currently being introduced within LHA) rules already ensure that those reliant on HB have considerable restrictions placed on the “choice” of accommodation that they can afford.

In urban areas there may be a market with shared housing/bedsits but these appear to be targeted at young professionals. In more rural areas this type of housing either does not seem to exist or is in very short supply. It is questionable whether “young individuals” as defined in the amendments who rely on HB to meet their housing costs will realistically be able to secure such accommodation.

NAWRA views the amendments as a further barrier to those moving back into work after a period of illness or unemployment. Single claimants will now have a wider “gap” to cross when taking up employment and as such the proposals will act as a further disincentive.

As a result of these proposed changes NAWRA would expect to see an increase in rent arrears and homelessness especially amongst young men. This will increase demand on other public and voluntary sector services. NAWRA is concerned that there does not appear to have been any attempt to assess the potential additional costs related to this.

NAWRA does not believe that it is realistic that the increased grant for DHPs will ameliorate such a situation given the other pressures on this resource.

4. The rental market

In many areas such as ex-coal field communities in the North East of England, the lower-end rental market is often former colliery back to back terraced housing which is in low demand and of poor quality. There is no market incentive for landlords to spend money converting these units to meet the new benefit changes. There is no appetite amongst developers to create shared housing which is often viewed as more of a management risk in terms of anti-social behaviour.

NAWRA is concerned at the lack of assessment on the potential impact on the private rented sector. Landlords will already be seeing issues with changes to the changes for eligible rents under LHA and there is little evidence to suggest that landlords will want to invest to convert property for a further reduced return on that investment.

NAWRA believes that taken with the other proposed and actual changes to housing costs and HB that there is a risk that “poor” (benefit reliant) tenants will be forced into cheaper areas on the edges of cities and urban areas with resulting problems in terms of the local housing, social cohesion and anti-social behaviour.

In Durham City the effects of the LHA BRMA rules has seen many HB claimants having to leave the city centre area and move to the smaller villages on the fringes of the city which have lower rents. Traditionally these villages have higher levels of unemployment and are generally more isolated and disadvantaged. These problems become even more

concentrated and further impact on the existing community. This situation will be compounded when the move to 30% BRMA eligible works its way through the system with even fewer affordable rents in the centre. The proposals under discussion will exacerbate this further.

5. Exemption for disabled claimants

NAWRA believes that the exemption for those with the severe disability premium (SDP) is too narrow. The Explanatory Memorandum (in a footnote) suggests that this will include those who receive the middle or higher rates of the care component of Disability Living Allowance (DLA). If the intention is to exclude those who have been awarded DLA then it is seriously flawed.

The regulations relating to SDP are infamous for their complexity and have been the subject of much case law. Inclusion of SDP within an HB award should not be taken as a measure of disability. For example a claim for Carers Allowance by another person (non-resident) will remove any entitlement.

It is NAWRA's experience that that this premium is often wrongly not included in HB applicable amounts; this is often of little consequence particularly where maximum benefit is in payment. This means that there is a high risk of severely disabled claimants being held not to be exempt from the proposals.

Many disabled people will not be able to obtain shared accommodation which is unsuitable for their needs, be that due to mobility problems, mental health issues or a number of other reasons related to disability.

Considering people coping with mental health problems shared accommodation (should it be available) will be unsuitable for people who have difficulty being around other people. A number of our members report service users who have difficulty leaving their bedrooms in their own homes, and service users who already live in shared accommodation but who have gradually "retreated" into a bedroom as their illness prevents them having contact with others. These service users will not be able to function in shared accommodation and NAWRA is concerned about the effects of the proposals to this of claimant. (Its noted that claimants experiencing these level of symptoms would be unlikely to be awarded DLA care component at the middle or higher rates and thus meet the sdp exemption)

HB claimants with substance misuse problems will be particularly badly affected by the the extension of the shared accommodation rent. They will be faced with the "Hobson's choice" of getting into rent arrears and facing eviction or taking up shared accommodation. Shared accommodation (should they be able to secure this) will often be unsuitable due to their needs to be able to adhere to strict daily regimes.

For shared accommodation there is often an “interview” with other tenants and its NAWRA’s view that this will prove an insurmountable hurdle for many people who are ill.

NAWRA is of the view that inclusion of any disability premium in the HB applicable amount should trigger exemption.

6. Supported Housing

The explanatory document by the Department suggest that supported housing will be exempt. NAWRA notes that whilst most will be there will be a small niche of this type of accommodation which will be outside the proposed exemption, such as that provided in long established supported lodgings

7. Effect on absent parents

NAWRA has concerns over the effect that the proposals will have in relation to parents who have access to and have children staying with them who are not part of the “household” for HB. Parents who strive to maintain positive relationships with their children after a relationship breakdown and who are caught by the amended regulations will either have the choice of shared accommodation (which is unlikely to be suitable for young children) or being unable to have their children stay with them. This will undoubtedly harm relationships between parents and children.

Additionally the memorandum does not reveal if there will be any impact where absent parents care for their children whilst the other parent is at work. Put simply shared accommodation is unlikely to be suitable for childcare, even where it is undertaken for a minority of the time. Given recent policy around reducing the amount of eligible childcare costs under WTC and UC this is likely to become more prevalent. NAWRA raises its concern about the potential effect on the ability of separated parents to move into and retain work.

8. Summary

NAWRA has grave concerns about the impact of these proposed changes on disabled people particularly those with mental health problems, as well as the effects on the rented housing market.