



Support for housing costs in the reformed welfare system

1. Summary and cumulative impact

- 1.1 Carers UK is deeply concerned about the impact on carers of changes to housing costs as a result of the Welfare Reform Act. We have growing evidence that these measures are pushing carers and disabled people into financial crisis and putting them at risk of eviction and long-term poverty and debt. We fear the situation of carers and disabled people is likely to further worsen as other changes, including reductions in spending on disability benefits, are overlaid onto the current changes.
- 1.2 Our evidence also shows that the localised and discretionary mitigation measures that the Government argues should protect carers and disabled people who need support are failing due to insufficient guidance and funding from central Government. We believe that the Government should, across a number of the changes, exempt carers and disabled people, rather than relying on local discretion.
- 1.3 Carers UK has been highly critical of the Government's failure to adequately assess in advance the impact of these policies, individually or cumulatively, on carers and disabled people, or to respond to emerging evidence from Carers UK and other stakeholders with urgent additional mitigation measures. Families cannot wait for the results of the Government's medium term evaluation of these policies, and Carers UK urges the Government to immediately begin a review of the impact of changes to support with housing costs on families as part of a cumulative impact assessment of the impact of the Welfare Reform Act.

2. Social sector size criteria: How carers are affected

- 2.1 Carers UK welcomed the early, if very limited, exemptions for tenants or tenants' partners who needed overnight care provided by a non-resident (for example a care worker), and the Government's later concession on rooms for disabled children unable to share with siblings. However we identified a number of groups of disabled people and carers who would be considered to have 'spare' accommodation and would face a shortfall in their rent, despite having a clear need for that accommodation. For these families, the additional accommodation is essential, not spare – yet they are still affected by the policy. These include:



- Carers caring for disabled partners who are unable to share a room as a result of the condition of the person requiring care and support, or the use of medical or assistive equipment. It is inconsistent and inequitable that a disabled person who needs overnight care from a care worker is permitted the additional space, but where that care is provided by a partner they are denied that space. This penalises families for providing care themselves.
- Families where adaptations or equipment were installed or stored in an additional bedroom making it unusable as a bedroom are also seeing this room considered to be spare. For example 'through-floor' lifts being installed in a bedroom to enable access to an upper floor, or the storage of equipment like dialysis machines or motorised wheelchairs.
- Whilst tenants and their partners are able to have an additional room for the provision of overnight care from a non-resident, this is not permitted for disabled children or siblings, or older people in the home.
- Parents of disabled children who split overnight care between them, so that one parent can sleep uninterrupted and the other uses a room to try to sleep but is available to provide care throughout the night.
- Families who have been assessed as needing additional space unrelated to equipment or adaptations – for example, 'quiet' or 'safe' rooms which are free of furniture on which people with learning disabilities could injure themselves.

2.2 Because of their need for the additional space, the set of options suggested by the Government to families affected are not appropriate.

- Moving to smaller accommodation – this could mean moving to homes which are not adapted to a disabled person's needs, incurring substantial further costs for families or councils, or leaving carers unable to access a room to sleep in during the night.
- Taking in a lodger – if rooms are used by carers/care workers to sleep in, or are for adaptations/equipment, this option unworkable. In many circumstances it is also inappropriate to demand that families caring for a severely disabled or ill relative, particularly disabled children, take in a lodger.
- Finding paid work - carers caring full-time, many of whom have been forced to give up work to care, are often unable to work at all.

2.3 Despite the fact that these options are highly inappropriate for many carers and disabled people, they continue to be suggested as options to these families – this contributes to feeling that both the Government and local councils have little understanding of their needs and circumstances.

2.4 In addition, the policy fails to take regard of the implications of moving disabled people or carers, who may have infrequently used 'spare' bedrooms, but where a move away from



local support networks could bring considerable social and public spending costs. If disabled people and carers rely on local friends, relatives, community and voluntary support to meet or support care needs, then their ability to live independently or continue to care could be significantly affected if they move away from these support networks. The loss of support and independence may result in considerable knock-on costs to health and social care services and undermines the community 'asset-based approach' which the Government is building into the Care Bill.

3. Social sector size criteria: discretionary housing payments as an approach to protecting carers and disabled people

- 3.1 Carers UK was deeply disappointed that Government did not implement exemptions for the circumstances outlined above and we do not accept that discretionary housing payments (DHPs) are an appropriate mechanism to protect families in these circumstances.
- 3.2 DHPs are designed to provide temporary support for transition or crisis periods. Whilst Government has suggested that councils are able to make indefinite awards, our evidence indicates that uncertainty about the stability of DHP funding from central government means that councils are making maximum awards of one year and often for much shorter periods.
- 3.3 If families have a clear need for the additional accommodation they will still go through the process of that accommodation being classed as 'spare', seeing their Housing Benefit reduced and having to apply every year (if not more frequently) for discretionary payments to cover the shortfall. Not only is this illogical and bureaucratically wasteful, but it is causing huge distress amongst families who are often already struggling with the mental and physical pressures of caring, ill-health and disability. Government has shown little recognition of the impact this process would have even on families who are successfully awarded DHPs. The families affected fear the loss of their homes, have to complete lengthy and detailed application forms for discretionary payments and often wait for months for a decision which may only give them temporary security. The pressure this is putting on families affected is huge, particularly for those who will need the additional space long-term, or indeed for the rest of their lives. The knowledge that they will have to conduct this process over and over again simply to remain in their homes is debilitating.

For example, a carer, who cares full-time for his wife who has a mental health condition, and who had been waiting three months for a DHPs decision, said:

"She can't leave the house normally, and now she doesn't even feel safe there. Since this happened she has gone completely downhill. She is panics every time she thinks about it, which is every day. I can't ever show it to her, but I'm struggling to hold it together myself with this weighing down on us. We cannot cope with this pressure for the rest of our lives."

- 3.4 Government has suggested on different occasions that the DHPs also enable councils to make an effective assessment of need on a case-by-case basis. In a letter responding to a Carers UK submission to Downing Street on this policy, the Government states that discretionary payments afford local authorities 'the discretion to support those most in need' and that blanket exemptions would not have delivered 'the range of flexibilities needed to



cover every individual circumstance¹. However Carers UK's evidence indicates that many DHP claims are being assessed in financial terms rather than on an assessment of need related to disability. We have heard from families where the council recognised their care and support needs through the allocation of properties with additional rooms, but turned the same families down for DHPs to pay for those rooms on financial ground. Examples included being turned down because their spending on food exceeded £3.50 per person per day, or because other items of household expenditure were considered non-essential.

4. Social sector size criteria: The sufficiency of discretionary relief

- 4.1 There is also increasing evidence that the discretionary funds available are insufficient to meet disabled people's and carers' needs. Since April 2013, £25 million in funding has been made available to local authorities to mitigate the impact of the change to size criteria on disabled people. The DHPs Guidance Manual states that 'the extra funding is intended to provide additional help to disabled claimants living in properties where significant adaptations have been made²' and that 'the allocation of the additional funding for disabled people broadly reflects the impact of this measure and the additional funding needed to support this group'.³ Carers UK has not been able to determine the basis on which the Department for Work and Pensions calculated the size of this fund or the rationale behind using 'significant adaptations' as a proxy for need related to poor health or disability.
- 4.2 We believe this fails to recognise the reality of many health conditions, disabilities and caring scenarios. There are a wide variety of circumstances where an additional room is needed, unrelated to adaptations. For example, carers of partners with early-onset dementia or post-traumatic stress disorder who wake up not recognising their partners and who can lash out.
- 4.3 The DHP Guide does state DHPs should be considered where a long term medical condition 'creates difficulties in sharing a bedroom'. However it is clear from examining a selection of local authority procedures and from carers' experiences that a number of councils are using the guidance to specifically link eligibility for discretionary payments to adaptations. In addition, if the value of the DHP funding has been calculated in relation to the number of people with adaptations, then extension of the payments to individuals with different needs will result in a shortfall.
- 4.4 The Government's impact assessments indicated that 420,000 disabled people would be affected by the change in size criteria. However, on the basis of an average shortfall of £14 a week, this fund would support fewer than 40,000 disabled people to stay in their homes for a year (the duration of the £25 million fund). This represents fewer than 1 in 10 of the disabled people affected. Estimates from the National Housing Federation showed that approximately 100,000 disabled people affected have home adaptations, so the discretionary pot would not cover even this smaller group.

¹ Response letter from Dan York-Smith, Private Secretary, 10 Downing Street - 3rd September 2013

² Housing Benefit: Under occupation of social housing – Impact Assessment (June 2012) Department for Work and Pensions

³ Discretionary Housing Payments Guidance Manual (April 2013) Department for Work and Pensions



- 4.5 To examine carers' experiences of accessing DHPs, in July 2013 Carers UK interviewed a sample of carers affected.
- 4.6 Of the 101 carers interviewed, 8% were exempt as a result of overnight care and disabled children's exemptions and 56% had applied for discretionary payments from their local council to cover the shortfall.
- 4.7 Carers UK has been heavily promoting advice and information encouraging carers to apply for discretionary payments if they were affected. However, only just over half of those interviewed had applied for DHPs. Many were aware of DHPs but had not applied for a variety of reasons – some had been informally told by council officers 'not to bother' applying because insufficient funds meant they were very unlikely to get any support; others had been told support was only temporary so had decided against completing application forms for just a few weeks or months of support.
- 4.8 Only 23% of those interviewed had received a discretionary payment – of those, just under half were receiving support for a full year, and just over half had received temporary support for between 3-8 months.
- 4.9 For those who had either not applied for DHPs, whose applications had been turned down or whose DHPs had expired, the impact of paying the shortfall in rent was extremely serious. 75% were cutting back on essential spending like food and heating. For example:

Zara cares full time for her husband who has Huntington's Disease and has herself herself suffered two strokes. Her husband's illness means his sleep is constantly disturbed and they were allocated a home with a second bedroom to allow Zara the space to get the respite she needs. It is now considered 'spare' and they face £15 a week shortfall in their rent on top of £2 a week from the replacement of Council Tax benefit – in total £884 more a year.

The couple applied for DHPs, and were initially declined because their local authority stated expenditure on items like postage stamps, spectacles and savings to buy a vacuum cleaner were non-essential. Following an appeal, they were awarded 12 weeks of DHPs which has now run out. They have made a second application (unable to apply until the previous DHPs expired) and await a decision.

They cannot now afford their bills. Zara is restricting herself to one meal a day and cannot reduce the bills by cutting down on food for her ill husband – his condition means he loses weight rapidly and to maintain his health he must have a high calorie diet. (Anonymised).

- 4.10 Of carers paying the shortfall, 17% were in arrears and 8% were paying by getting into debt. These include a couple caring for a disabled daughter who use their box room so that one of them can get a full night's sleep whilst the other can get up when needed to provide night-time care. They cannot afford to pay the shortfall in their rent created by this room being considered spare and have been in arrears since April as a result. They are at risk of eviction.



4.11 **These examples illustrate that the Government's mitigation measures are woefully inadequate and that carers and their families are facing devastating consequences. The failure of the Government to respond to warnings in advance of this policy or to mounting evidence which has borne out these warnings is reprehensible – it is exposing vulnerable people to financial crisis and long-term poverty. Even those who qualify for discretionary support face insecurity and the risk of losing their homes for the duration of their disability or caring responsibilities – often for life. Carers UK continues to call for the Government to urgently exempt carers and disabled people from the size criteria changes.**

5. Localised Council Tax support and the household benefit cap

5.1 Carers UK believes that the exclusion of carers from the protected groups within Council Tax localisation and inclusion of carers within the household benefit cap are inconsistent with the rationale for both policies. The Government has stated that both changes are designed to apply to 'workless households', improve work incentives, promote behaviour change and discourage long-term benefit claims⁴. None of these aims should apply to carer households, and the fact that they do contradicts the Government's assertion that 'the one thing [they] are not looking to encourage is a change in the carer's behaviour so that they stop caring'⁵.

5.2 **Localisation of Council Tax support:** Carers UK argued that carers should be a protected group alongside pensioners, as Council Tax Benefit was replaced by local reductions schemes. However Government did not accept this recommendation and, furthermore, the guidance issued to local authorities made no mention of caring responsibilities in relation to vulnerable groups who should be prioritized for support through local schemes. This omission is a further example of a failure to recognize the pressures and limitations that caring places on families' ability to work, and continues the insulting and misguided suggestion that carers are 'workless'. It exposes carers to considerable extra costs when they have limited or no capacity to increase their incomes through work.

5.3 Carers UK has not yet completed detailed analysis of the impact of localizing Council Tax support on carers, which will form part of our Caring & Family Finances Inquiry, to be published in December. However we are concerned by growing evidence from research and our Adviceline that many councils are not protecting carers.

5.4 As a snapshot example, in Hertfordshire, of the 10 district councils in the county, some are protecting disabled people, some are protecting those on benefits with children under 5 and some are protecting several vulnerable groups. However currently only one district council in the county is proposing to protect carers.

5.5 Our evidence gathered in relation to the changes to the social sector size criteria highlights not only that the localisation of council support is resulting in carers losing support and

⁴ Localising Support for Council Tax Vulnerable people – key local authority duties (May 2012) Department for Communities and Local Government

⁵ Lords 23 Jan 2012: Col. 893



having to pay more, but that different cuts to financial support are combining to put even greater pressure on carers and their families. Of the carers affected by the changes to the size criteria who we interviewed, 29% were also facing additional Council Tax payments as a result of the abolition of Council Tax Benefit. Families who face a rent shortfall of as much as £1200 a year, as a result of the size criteria changes, are also having to pay a further £300 a year in Council Tax charges. This would be a difficult financial burden for most families to manage, but those already seeing reduced incomes and additional costs as a result of disability and caring are less likely to be able to cope.

- 5.6 **Household benefit cap:** During the passage of the Welfare Reform Act Carers UK urged the Government to exempt households including individuals with entitlement to Carer's Allowance from the household benefit cap. Whilst exemptions were put in place for Disability Living Allowance claimants, war widows, and families claiming Working Tax Credit this fails to protect significant groups of carers.
- 5.7 As a result of the definition of a 'household', carers caring for disabled children under 18 and disabled partners would be exempt (as the eligibility for disability benefits would fall within their benefit unit). However carers caring for adult disabled children or other adult relatives would be affected by the cap as, even if the person they cared for lived in the same property, the exemption from the benefit cap would only include the benefit unit of the disabled adult and would not protect other adults within the household.
- 5.8 This is inconsistent and illogical – as a full time carer of a disabled child aged 17 years old would be protected from the cap, but the same carer would be affected as soon as their child turned 18. A full time carer of a disabled partner would be protected but a full-time carer of a disabled sibling would be subject to the cap.
- 5.9 The Government's impact assessments have predicted that of the 56,000 households capped in 2013/14, 5,000 households are expected to include a Carer's Allowance claimant, and they will see an average reduction in income of £105 a week. This will be devastating for many of the families affected who are often already struggling to make ends meet. Again, Carers UK will be gathering examples of the impact of the cap but we have not yet gathered sufficient data to include within this submission.
- 5.10 **Carers UK believes it is deeply unfair for carers to both be subject to the household benefit cap and subject to new Council Tax charges. Doing so sends out a very negative message about the value the Government places on caring and may lead to family finances collapsing and caring becoming financially untenable. We continue to call on the Government to exempt Carer's Allowance from the cap and to reconsider adding carers as a protected group within Council Tax reductions schemes. At the least, new guidance should be issued to councils on making carers a priority group for support within local reductions schemes.**



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Carers UK is a charity set up to help the 6.5 million people who care for family or friends. At some point in our lives every one of us will be involved in looking after an older relative, a sick friend or a disabled family member. Whilst caring is part and parcel of life, it can affect your job, your health and your finances. Without the right support the personal costs can be high.

Carers UK is a membership organisation of carers, run by carers, for carers. We have 17,000 members and a reach of many more. We provide information and advice about caring alongside practical and emotional support for carers. Carers UK also campaigns to make life better for carers and influences policy makers, employers and service providers, to help them improve carers' lives.

Carers UK's advice and information services answer around 16,000 queries from carers and professionals every year. Our website is viewed by over 100,000 people every month, 27,000 subscribe to our monthly email newsletters, and the combined reach of our online communities and social networks exceeds 38,000. We're in regular contact with around 1,500 local organisations, including many run by carers, who are in touch with around 950,000 carers. Carers UK has offices in Wales, Scotland and Northern Ireland. This response reflects the views of the organisation, UK-wide.

Legal information Carers UK is a charity registered in England and Wales (246329) and in Scotland (SC039307) and a company limited by guarantee registered in England and Wales (864097). Registered office 20 Great Dover Street, London, SE1 4LX.