HOUSE OF COMMONS

Work and Pensions Committee

Oral evidence: Support for housing costs in the reformed welfare system, HC 720

15 January 2014

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Written evidence from witnesses:

- Carers UK
- The Children's Society
- Homeless Link
- Scottish Public Health Network and NHS Health Scotland
- St Mungo's
- Women's Aid

Watch the meeting

Members present: Dame Anne Begg (Chair); Debbie Abrahams; Graham Evans; Sheila Gilmore; Glenda Jackson; Kwasi Kwarteng; Nigel Mills; Teresa Pearce; Dame Angela Watkinson

Questions 292 - 371

Witnesses: **Steve McIntosh**, Policy and Public Affairs Manager, Carers UK, **Dr Sam Royston**, Poverty and Early Years Policy Adviser, The Children's Society, **Paul Anderson**, Policy Manager, Homeless Link, **Andrew Fraser**, Director of Public Health Science, NHS Health Scotland; Scottish Public Health Network, **Anna Page**, Policy, Public Affairs and Research Manager, St Mungo's, and **Hilary Fisher**, Director of Policy, Voice and Membership, Women's Aid.

Q292 Chair: Can I welcome you this morning to this evidence session of our inquiry into housing costs in the reformed welfare system, and thank you for coming along this morning? We have got a rather large panel, but I will start by asking you to introduce yourselves and your organisation for the record.

Dr Royston: I am Sam Royston, and I am a Policy Adviser at the Children's Society.

Anna Page: I am Anna Page. I am Policy, Public Affairs and Research Manager at St Mungo's.

Andrew Fraser: I am Andrew Fraser, Director of Public Health Science at NHS Health Scotland, on behalf also of the Scottish Public Health Network.

Steve McIntosh: I am Steve McIntosh. I am Policy and Public Affairs Manager for Carers UK. We represent and support the 6.5 million people who care unpaid for loved ones.

Hilary Fisher: I am Hilary Fisher. I am the Director of Policy, Voice and Membership for Women's Aid. We are a network of over 300 services supporting women survivors of domestic violence.

Paul Anderson: My name is Paul Anderson. I am the Policy Manager at Homeless Link. We are the representative body of frontline homelessness services, primarily working with single homeless people and childless couples.

Q293 Chair: Thanks very much. You will not fail to notice that you are rather a large panel this morning, and we still have only our normal allotted slightly less than two hours. We will try to keep our questions brief and to the point, and please keep your answers brief too. There is no need for everyone to answer every question; obviously we are just looking for you to answer the ones that are most relevant to your organisations, or indeed to add something that has not already been said. We would appreciate it if you could bear that in mind. I have a few questions to begin with about the changes to the Local Housing Allowance. These changes came in almost three years ago and, I suppose, initially there was not a great deal of impact, simply because it has taken some time for it to work through the system as people's leases either came up for renegotiation or came to an end. Sam, can you explain to us whether the changes to Local Housing Allowance have impacted on families who rent in the private sector? Has it made the private sector less accessible to people who are in receipt of housing benefit?

Dr Royston: Yes, I believe it has. The evidence suggests, and the key concern for the Children's Society is, that the larger the family, the more the likely loss as a result of reforms to LHA. We see that through comparing medium rents, expected rents in the private rental sector, with the actual rents for different household sizes that are available from the Valuation Office Agency's website. For example, for a three-bedroomed property, so a typical expected property for a couple with, say, two children of different genders over the age of 10, the loss is about £14 a week in terms of what you would expect as a reasonable level of rent and what you would actually get according to the rules. For larger families, it is particularly noticeable.

It is clear that the biggest factor that has contributed to that was the move from the 50th percentile of local rents for each broad rental market area to using the 30th percentile of local rents as the calculation for maximum levels of housing benefit in the private rented sector. However, the ongoing concern is that, with the limit down to 1% annually on increases in private rents for most of the country, that shortfall is gradually going to get larger and larger and larger. The 30th percentile has set a low baseline; the 1% increase each year means that it will get further and further behind as time goes on.

Q294 Chair: Is there evidence that landlords are actually just coming out of the sector—that they simply will not rent to people who are dependent either on housing benefit or Local Housing Allowance?

Dr Royston: I would draw attention to recent newspaper reports that private-sector landlords are doing exactly that. It is very difficult to say how widespread that is. I would suggest that one very helpful recommendation would be for the Government to look into reviewing the affordability of private rental sector accommodation as a result of the reforms that have taken place to investigate factors like whether landlords are no longer accepting tenants.

Q295 Chair: Even if the landlords are accepting tenants, does what you are saying mean that the actual supply of private rents within what people will get from Local Housing Allowance is getting tighter and tighter all the time? Can you foresee a time when demand will outstrip supply because the 30th percentile effectively comes down towards the 20th percentile or even below that?

Dr Royston: Absolutely. One thing to remember is that, just because there is a shortfall between housing benefit levels and expected rents, it does not mean that people are not living in those properties. In some cases, the worry will be that people are just topping up the losses, those shortfalls—that £14 a week, as a result of living in a three-bedroomed property—from their other disposable income. In fact, there is a quote from the Government's Impact Assessment of the reforms that they did not expect a behavioural impact over the forecast period because differences in rents will be small in the early years compared with the transaction costs of moving. One thing that perhaps even the Government seems to be expecting is that people will not move as a result of some of these reforms if landlords will let them stay, but they will cover the additional cost, the shortfall, from their other income, which they simply cannot afford to do.

Q296 Chair: That surely is a short-term solution simply because, while they might be able to make up the shortfall for six months or even a year, the rent will keep going up but what they get in housing benefit will not.

Dr Royston: Absolutely, and as we go forward it comes back to what I was saying about starting from a low baseline. That shortfall is likely to get larger and larger over time, so that people struggle more and more to keep up with their rents. Evidence from the homelessness statistics suggests that the time when landlords are taking the opportunity to move people on is at the end of an assured shorthold tenancy. In the first quarter of 2010, there were 1,250 households accepted as owed the main homelessness duty as a result of their last tenancy ending as a result of the end of an assured shorthold tenancy. That had risen to about 3,600 by the second quarter of 2013, so it is clear that landlords are taking that opportunity to move people on by waiting to the end of the assured shorthold tenancy and then saying, "Well, basically you're getting into arrears; I can't afford to renew this."

Q297 Chair: As you have just raised homelessness, I am going to ask Paul and Anna what impact the changes to the Local Housing Allowance have had on homelessness.

Paul Anderson: I think Sam's point about the end of assured shorthold tenancies is a very good one, because that figure has been going up year on year for the last few years. We think very much that it is landlords' easy way of changing tenants to somebody whom they think they can get more money from. This is backed up by evidence from talking to some of our member agencies. I was talking to one last week, and in the last year they have lost 20% of their landlords who deal with them specifically on the grounds that they think they can get higher rents paid by people who are not on benefits. That figure was only 2% the year before.

We complete a survey each year where we talk to 500 homeless agencies, so it is quite a big cross-section, and ask them what challenges they face. For the last two years, the move-on into appropriate accommodation for people has been the biggest issue. Three-quarters of those agencies use the private rented sector as ways of moving people on, so you are looking at a scenario in which people are being forced to stay in relatively expensive homeless hostels, then supported housing projects, taking up spaces that are needed by other people who are on the streets because there is nowhere for them to move on to. Those relations with private landlords have been built up by homeless agencies over a number of years, and the real risk is that they get undermined by landlords thinking it is not worth their while doing it anymore.

Q298 Chair: Anna, in St Mungo's written submission you talked about "silting up". Is what Paul described exactly what you meant by "silting up"—that you cannot get people moved on and therefore people are staying longer in the accommodation you are providing, but the people who are homeless and need it cannot get it? Is that a fair summation?

Anna Page: We have seen a steep decline in moving clients into social housing over the last two years, and consistently moving more people into the private rented sector. The LHA rates, along with some of the other changes, are really making it much harder to get people into the private rented sector. We have to invest a lot more resources in sourcing different private rented sector accommodation for our clients. It is not just us noticing this either. At a recent meeting of one of the London Boroughs in which we work, the papers that came out, which are written by the council, were highlighting this issue of real concerns about the private rented sector impacting on all homeless services' ability to move clients into independent accommodation.

Q299 Chair: How long do you think it is going to take until you become the actual provider of permanent accommodation because you cannot move people out of the accommodation you are providing? It will no longer be seen as a stepping-stone but actually the end destination. Is that likely to happen soon or sometime in the future?

Anna Page: One of the challenges that might happen before that, and we are already seeing it, is around quality of accommodation that people have no option but to move into. We obviously have minimal standards of accommodation that we would want our clients to move into, but we are seeing accommodation being nearer and nearer to that lower limit. Therefore, a lot of work has to be done around addressing issues that have a big impact on health, around damp and other issues.

Q300 Chair: Does your organisation move people into other temporary accommodation just in order to move people out of your accommodation so you can get someone who perhaps needs more support coming in? Or is it always into some kind of proper tenancy?

Anna Page: It is not always straight into independent accommodation. We have a range of different levels of support that we provide within our own accommodation and links with other organisations that might have other levels of support. Each case is taken on a case-by-case basis, but, yes, in some cases it would be to other temporary accommodation.

Q301 Chair: Does anybody have any views on the Targeted Affordability Fund?

Paul Anderson: Yes, I have some views. It is evident to us that, if you look at predictions for the forthcoming years, rises in rents are going to be across the board. There were some figures produced by the Oxford Economic Projections for the next few years, and they suggested that, across the different regions of England, you were going to see rises in each area. I think the impact of rental increases is going to be a huge issue that I am not sure the Targeted Affordability Fund is going to be able to address.

When the economy was in recession in 2009—I think the economy shrunk by 5% in one year—rents continued to rise pretty much across all the different parts of England. There was a slight decline in some, but not majorly. It suggests that this increase is pretty oblivious to what is going on in the wider economy, and that is probably because of the number of people having to or choosing to access the private rented sector as a percentage of housing is increasing. You can see that in terms of the number of housing benefit claims, because people on lower wages are also claiming housing benefit, putting more and more pressure across the board. The only area between November 2011 and November 2012, I think it was, that saw a reduction in housing benefit claims was inner London, which is probably because people were moving elsewhere because it had literally become unaffordable.

The other thing I would say is that we did a survey looking at the shared accommodation rate specifically. We found that across London it was not 30% of properties that fell within the LHA rate, like you might expect, or you would expect if the LHA was functioning properly. It was nearer 5%, and that is before you take into account people on benefits, so I think there is a big issue.

Q302 Chair: It has really only been enacted from this month. Are rent officers aware of it and actually making the adjustments in LHA rates?

Paul Anderson: I do not know to what extent they are doing that. It is too early to say, I think.

Dr Royston: One thing to say in favour of the Targeted Affordability Fund is it is a better form of intervention, in my view, than additional investment in Discretionary Housing Payments, which I know you will want to come on to later. Because it has that automatic uprating of people's entitlement, it makes sure that people get some extra help, and it is a long-term solution, rather than just a short-term intervention by increasing that base LHA rate that people would be entitled to. It is very positive to see that the DWP's response to that 1% limit was in part to introduce the Targeted Affordability Fund rather than to simply invest more in Discretionary Housing Payments.

Q303 Chair: We are coming on to DHPs later. My final question is around the shared accommodation rate. I always call it "shared room rate", but I think the proper term is shared accommodation rate. It is now up to age 35, affecting the ability to rent a full property, so what evidence do you have of young, single people being affected by that increase of the age limit of the shared accommodation rate?

Paul Anderson: The DWP's own Impact Assessment said that would increase the number of people claiming shared accommodation rate by, I think, 43%. We have done some quite extensive work in London and outside of London looking at whether there has been any adjustment in terms of landlords coming into the market to offer new properties. We have not seen any evidence of that. As I said before, we have seen an increasing disconnect between the LHA shared accommodation rate and the actual cost of renting properties before you even factor in the issue of whether people take benefits. That kind of mirrors what other surveys have done. It was slightly less systematic, but we did a survey talking to agencies outside of London, and they said that they had more demand than ever before, and fewer properties than ever before because, to be honest, it is often more attractive for landlords to rent to somebody who is in their early 30s than it is to a teenager, because they are seen as lower risk. There is a huge disconnect between demand and supply.

Q304 Chair: The Government, I think, thought one of two things would happen. Either the young person would remain staying at home or somewhere, or they would share. Most people who are in work and in the private rented sector who are that age share unless they become a household unit. I do not know if you have effectively said the supply of single rooms has dried up, but it is not there. One of those things must be happening, because most people are living somewhere. Are they still living at home? Is that what is happening?

Paul Anderson: There is more demand for the properties available. Some agencies have said to us they are having to deal with landlords who they do not feel very comfortable dealing with, and put people in properties they do not feel very comfortable putting them in.

Q305 Debbie Abrahams: In what way are they uncomfortable?

Paul Anderson: The quality of the property is poor, and because their experience of dealing with the landlord has not been fantastic in the past.

Q306 Chair: You are trying to be tactful in saying that they are slum landlords. You can use the Francis Urquhart get-out clause for that one: "You might say that, but I could not possibly comment." Are there problems with the regulations around houses in multiple occupancy? Is that acting as a barrier to people below 35 getting rooms in shared tenancies or in other tenancies?

Dr Royston: I was going to say more broadly on the shared accommodation rate that the model on which it is based is primarily that, if you are a young person, it is reasonable that you should be without children or a partner. It is reasonable that you should be sharing a flat with somebody else. You should be sharing space. The key thing that I feel that it overlooks, and to be honest, has always overlooked as a policy, is that for many of the most disadvantaged young people, they find it very, very difficult to find somebody willing to share a room with them. We already know that there are problems with landlords being unwilling to take in tenants on housing benefit. That problem is even more exaggerated when it comes to people offering to share their own home with somebody on housing benefit. That is the key problem that prevents people from accessing it.

I think what happens in a lot of cases anecdotally is that young people end up in single bedroom accommodation but pay for the extra out of their other benefits and end up living on next to nothing. It would be quite helpful to get more evidence about how frequently that actually happens.

Anna Page: We are talking about people that are under 35, so it is not just what one might typically see as young people. A lot of the people we work with up to 35 are very vulnerable. It is perhaps not the best idea for people to be expected to live with strangers with little support available to think through the options around that. We support our clients to find suitable people they might be able to live with, but a lot of people do not have that. It is particularly an issue for women who might have experienced domestic violence, who may feel they have little option but to live with men, or people who have a range of other vulnerabilities. It feels like this is a policy that is designed perhaps with young professionals in mind, who might be comfortable sharing with other young professionals, but actually we are talking about a very wide range of people.

Q307 Chair: You must have had to change your policy about the accommodation that it is suitable to move people into, because I understand that up until recently you would have tried to place people mostly in their own tenancy rather than in shared tenancies, but that is not going to happen now simply because they do not have the housing benefit to cover the cost.

Anna Page: Yes, very much so. We have a scheme, Peer Advice Link, where we have people with experience of support services who support other people going into their own tenancies. As part of that work we have also got a specific scheme around flatmates, where we are supporting people to find and settle into new accommodation with other people.

Q308 Teresa Pearce: Just because somebody is under 35 and single does not mean they are not a parent. I have got under 35-year-old men in my constituency who are parents, but not the parent with care, who have now lost connection with their children because they are in a shared house and do not have anywhere suitable to bring their children. Have you seen this in your experience as well?

Dr Royston: I am certain that it is a problem, but not one that has been brought to my attention.

Teresa Pearce: I have got a lot of them in my constituency.

Chair: Okay, we are now moving on to the benefit cap.

Q309 Kwasi Kwarteng: I just wanted to ask with regard to the benefit cap what the effect has been on carers.

Steve McIntosh: That is probably one for me. Carers UK was really quite surprised that carers allowance was included as one of the benefits beneath the benefit cap. Whilst many carers will be protected by the household protection for someone in receipt of Disability Living Allowance, this applies to a household unit, so an individual, their partner and a child under 18. However, if you are living in a household with a disabled adult who is not your partner, then the cap would apply to you. This could be someone caring for an adult disabled sibling; it could be someone caring for an older parent or an adult disabled child. For us this creates some rather perverse situations. For example, if you are caring for a 17-year-old disabled child, you would not be affected by the cap, but for an 18-year-old disabled child, you would, because, as they are an adult, their Disability Living Allowance would be seen to be in a different benefit unit even if they live under the same roof.

Looking at the Government's own Impact Assessment at the time the policy was being debated, the Government estimated that around 5,000 carers would be affected, losing on average £105 a week. The main frustration for us is that, when you look at the rationale behind the policy, which is designed to improve work incentives, these are households where the carer is providing over 35 hours of care a week. It is the equivalent of a full working week, many of them caring for much longer than that. Regarding the idea that you are supposed to be pushing those people into work, the Government themselves have said that is not the intention of the policy. Also, when the policy was introduced, the Secretary of State described it as introducing fairness to the system, affecting people who are not seen to be contributing to society and affecting people who are simply not playing a full part in society or working hard. When you look at carers who are contributing on average £18,000 in unpaid care, this is a group singularly poorly served by a policy that is likely to have a pretty devastating impact on families who are unable to move into work.

Q310 Kwasi Kwarteng: You say all that, but I wanted to add for the record that it is probably the single most popular policy the Government has introduced. That is something in terms of the public, but I appreciate that it has had a negative impact in the way that you described.

Steve McIntosh: I think the public would be very surprised to find that carers caring full time would be affected by a policy designed, according to the Government's rationale, to push people into work. The Government themselves, Lord Freud, said this is the one thing the Government is not trying to do: push carers to give up family care and move into work.

Q311 Chair: Do you think that somebody who is on Carers Allowance and by very definition is providing that 35 hours should be exempt from the benefits cap? Instead of being two households, the household should be regarded as one household in terms of the benefit cap.

Steve McIntosh: Precisely.

Chair: That is the only change you would need in the regulations to sort the problem.

Steve McIntosh: Yes, the solution would be to exempt households including a Carers Allowance claimant.

Chair: Okay. We move on to social sector size criteria.

Q312 Debbie Abrahams: I just want to ask some questions about the different groups that may be being affected by the social sector size criteria, or the bedroom tax, as it is commonly known. Hilary, how is this particular policy affecting women who may have been affected by domestic violence. In particular, thinking about the announcement yesterday that the Prime Minister would be reviewing this, what do you think we should be looking at in relation to that?

Hilary Fisher: We have not got any specific examples around the issue of social sector criteria, but we have got a range of concerns. The primary issue when a woman is leaving a violent situation is to get her into safe accommodation. It may be that the only safe accommodation available does not fit with the size of the family, and therefore she could potentially be affected by this. There could be other reasons. For example, a significant number of refuges will not take male children over 14 or 15 years, for obvious reasons, so then the family would be housed elsewhere. Again, the housing may be larger; there may be a child with specific behavioural difficulties because of the issues around domestic violence. There could be disability issues. There could be no other available accommodation, so the most important thing for us is actually an issue of right to life in order to ensure that woman and her children are safe. Then she comes up against this issue of being in a situation where the housing is seen as too large, and to wait for suitable accommodation would put her in a very risky situation. As it is at the moment, we know that many women are unable to get into a refuge when they want, but to put an additional barrier in place would be very damaging.

Q313 Debbie Abrahams: What would your recommendation be in terms of the changes to hostels and so on, so that they are exempt from those particular issues?

Hilary Fisher: We would very much hope that all refuge situations are taken as exempted accommodation, and we welcome the fact that you raised that with the Prime Minister yesterday. Obviously, we also welcome the fact that he is going to look into that.

Chair: We will chase him up with a letter.

Hilary Fisher: As you mentioned, it was April last year that Lord Freud said he would be looking into it, and we still have not had a resolution on this. It is a massive issue, and our members are extremely concerned about what will happen with regard to that.

Q314 Glenda Jackson: Do you have any figures on the example of a woman who leaves—I am thinking about local authority housing now—because of domestic violence, and is placed by that local authority into a place of safety? She wants, eventually, to go back to her social housing, and she can claim housing benefit for both those properties, but it is for a limited period of time. Do you have any figures of how many people are actually in that system at the moment? I have quite a few in my constituency.

Hilary Fisher: We do an annual survey and we did not ask that question, which we probably should have done, so we do not actually have concrete data on that. We do have anecdotal data from refuges that women are choosing not to leave because of the fear—

Glenda Jackson: Of not having their flat.

Hilary Fisher: —of not having their place to return to. We would argue, in that case, that dual housing should not be counted so that there would not be a cap on that.

Q315 Glenda Jackson: Obviously, in many instances the alternative accommodation is going to be in the private sector. Does the benefit cap affect that rent, or is it met in full, do you know?

Hilary Fisher: I do not know the detail of that. I do know that we would very much urge you to consider the disregard of the benefit payment, and that you make that part of your recommendation. I did not come in on the Local Housing Allowance, but I did want to say that the survey showed us that women are staying in refuges longer than they had done previously. Up to 47% of our respondents said that there was an increase in the number of women staying, and one-fifth of women are leaving to either other refuges or further temporary accommodation.

Chair: So it is the same issue as St Mungo's.

Hilary Fisher: Exactly, yes.

Q316 Dame Angela Watkinson: Could I ask Hilary Fisher, on the subject of domestic violence, is it your experience that it is the norm for the mother and children to be removed from their home to a place of safety, and how often are they able to remain in their home and the perpetrator of the violence is removed and dealt with through the legal system?

Hilary Fisher: It is only very recently that domestic violence protection orders have been introduced as pilots, and they are going to be rolled out, I understand, later this year, in terms of removing the man. The norm at the moment is that in order to be safe it is the woman who leaves. Another alternative is something that is called a sanctuary scheme, which is when a room is created in a house that a woman and her children can go to, which is reinforced and a place of safety. But there have been cases where local authorities have said, "Well, that is an extra room, and therefore either you leave or you pay extra for this." It is an anomaly that is a massive problem because obviously it is built and created, and money has been spent on it in order to make it safer for that woman, and they are saying, "Actually you can't use it."

Q317 Dame Angela Watkinson: Is it your experience that the mother and children are removed as part of the legal process when police are already involved, or does it precede any involvement by the police?

Hilary Fisher: The majority of women who experience domestic violence do not report. Many of the women who go to refuges will report to the police after, but there will be occasions when the police intervene and they say to the woman, "It is not safe for you to stay," and they leave. There are massive issues in terms of the fact that when a woman leaves she usually leaves with nothing. She has no money; she has no goods. Quite often, she does not even have the bus fare to get to the local refuge. You have women ending up sleeping overnight in cars and all sorts of very difficult situations. We, with Refuge, run the Domestic Violence Helpline. We get calls regularly from women asking for refuge places. The challenge we have in London is there is a wait of up to five weeks, and it depends, particularly for single women. We have evidence that more and more of these women are having to seek assistance outside of London because there is not refuge space for supporting them.

Q318 Dame Angela Watkinson: I know there is a difficulty with the police with identifying intimidation and emotional bullying and so on because there is no visible evidence. That is very often the situation; they are living with a psychopathic partner, but it is very difficult to get evidence of what is going on behind closed doors.

Hilary Fisher: Absolutely, but when a woman chooses to leave, and it is usually when a woman reports she has experienced violence over 35 times—or at least that number of times—it may have nothing to do with the police. Their involvement may be afterwards. In fact it is through support from specialist social services that women feel able to and have the confidence to go to the police and go through the justice system. Our concern is that a number of refuge places they are going to now are not providing that support, or they are not able to get the support they need. More women are returning to unsafe situations because of concerns about that. Not only is this hugely worrying for her and her safety, but it is significantly costly. Keir Starmer informed us at our annual general meeting last year that it cost £1.5 million for a homicide, so even if you take aside all of the other issues you should consider, it is not saving money not to provide a woman with a safe place to be.

Q319 Debbie Abrahams: Steve, could you explain the circumstances by which you think a spare room should not be classified as such under the SSSC?

Steve McIntosh: Carers UK has been very clear. We believe that in circumstances where a family needs an additional room, they should be exempt and there should not be recourse to discretionary payments, and we are seeing families being affected. These circumstances could include where a carer cannot share with their disabled partner. It might be because they use an oxygen machine throughout the night; they have disturbed sleep as a result of their condition. In order to be able to continue to care for them, for both the disabled person and the carer to be able to sleep, they need to sleep separately. In those circumstances no exemptions are available, and therefore they are affected by the policy.

In circumstances where a room is needed to store oxygen tanks, dialysis machines, a through-floor lift from a ground floor, that room is affected by the policy. There is an exemption for a tenant or their partner who needs overnight care from a non-resident, so a care worker, for example, to come in and stay, but that exemption does not extend to anyone other than the tenant or their partner. If you have a disabled child who needs a care worker to come in and stay, again, they are affected by the policy, and that room is seen as spare. If you have an older parent, a disabled sibling who needs overnight care, again, they are affected and that room is seen to be spare. For parents of disabled children who split overnight care so one can sleep and the other can provide care during the night and have a room to sleep in—again, that room is seen as spare and they are affected by this policy. There are also quiet rooms, safe rooms, sensory rooms for disabled children or children with learning disabilities. In all those circumstances, that additional accommodation, which is not spare—it is essential—is being categorised as spare.

Families are either having to pay the average of £14 a week, over £700 a year, or having to try for what we are finding is insufficient and inappropriate discretionary funds.

Q320 Debbie Abrahams: You mentioned the financial implications, which are significant. As we have already heard, they will be impacting on other disposable income. What are the other implications that you are already seeing from this?

Steve McIntosh: It is causing a huge amount of distress amongst carers and their families. Many are saying they simply do not understand why they are being affected by it. For them it shows a real lack of understanding of how disability and caring affects people's lives. This sort of accommodation, where partners cannot share, is not a luxury. It is just a vital part of them being able to live their lives, being able to sleep and being able to care for their loved ones. There is a huge frustration and anger that this policy is affecting them at all.

Secondly, as to having to apply for discretionary funds to stay in their own homes, which is often short-term and incredibly insecure, for them, if they have a lifelong care responsibility or disability, the thought of having to go back every three months or six months every year for the rest of their lives to apply for money that may not be there and which councils may not award them creates incredible insecurity. Our evidence is that most are not getting discretionary payments, but even for those who do, it is causing huge insecurity.

Q321 Debbie Abrahams: Do you know of circumstances where families are having to split up and move, and the implications around social networks, indications of social isolation and exclusion? What is your experience there?

Steve McIntosh: At the moment, families are withstanding it by falling into debt, getting into arrears, or trying to bear the costs. We did a survey of people affected. Of those who were paying it, 75% were cutting back on food or heating. 17% were in arrears. Currently we are seeing the development of longer term problems, which may mean in the future that those financial circumstances become untenable. The fear is the dreadful personal consequences of a family being unable to care for a disabled loved one, and their finances reaching a situation where that is no longer possible. Equally, setting aside those personal circumstances, the consequences for the local authority social care services and for the NHS of having to pick up full-time residential care would be by far in excess of the £14 a week that in theory is being saved by the Government.

Q322 Glenda Jackson: The Government's argument for this is that it is releasing properties to alleviate the suffering of those who are in severely overcrowded circumstances, or have no kind of home at all. You mentioned the possibility of people moving out of their present homes. Have you any evidence that this is actually happening?

Steve McIntosh: We did an in-depth set of questions with carers affected by the policy, interviewing over 100 families. Of those, three have moved. One had moved into accommodation that was much the same. The second had moved into unsuitable accommodation and the third had moved into better accommodation, so just 3% of those we interviewed had moved. The rest of them felt it was simply not an option. If they had moved into smaller accommodation where an additional room was not seen as spare even though they thought it was essential, that would have resulted in the carer not having a room to sleep in. They would have been sleeping on the floor, on the sofa or getting disturbed night's sleep while sharing a room. For them—this is the frustration for us—it is not spare accommodation. If it is freed up, it is a family that are already in difficult circumstances living in unsuitable accommodation.

Q323 Chair: Can I just pursue this, because by the very definition of the families you are describing, they must be in receipt of Disability Living Allowance, otherwise they would not get the Carer's Allowance. Are they using the Disability Living Allowance, or the care element perhaps of that, to make up the shortfall? Is that what is happening in some cases?

Steve McIntosh: We are seeing local authorities treating DLA as income.

Q324 Chair: That was my second question, because I know a number of local authorities do another means test before they give them DHP to see if they have got sufficient income and whether DLA is being included in that.

Steve McIntosh: To answer your first question, I would not say families categorise their income in that way, where they would specifically ring-fence DLA to use for covering the shortfall. Obviously, DLA is not for paying rent, so if local authorities are categorising it as income, in fact those local authorities may already be counting it towards care charges for the local authority, so the local authority may be double-counting it, telling them to put their DLA towards social care charges. They are supposed to be using their DLA for the extra costs of heating and food around disability, so there are only so many times you can double or triple-count DLA towards different living costs for disabled people. Many of these families are already in debt and financial hardship as a result of the impact on work because of disability and carer responsibilities. They have very little financial resilience to bear any additional costs, particularly when it is in excess of £700 a year, so they are desperately scrabbling around to find the money so that they do not have to move.

Chair: Back to Debbie. Sorry, I keep interrupting.

Q325 Debbie Abrahams: My next set of questions is again looking at the bedroom tax and the implications for homelessness, and I do not know if Anna would like to take that, or Paul.

Paul Anderson: I can pick that up. A lot of this, in terms of homelessness, the implications of the benefit cap and the bedroom tax and Universal Credit depends on the resolution of the definition of exempt accommodation. Essentially, half of the homeless projects that we survey are not covered by the current definition of exempt accommodation, which means that they fall under the bedroom tax and the benefit cap and Universal Credit, direct payment to the tenant. That does not have anything to do with the service they provide or the clients they work with or anything like that. It is just to do with the management arrangements, and it is kind of a historical anomaly that needs resolving quickly, because it has left agencies in a very insecure position.

It is interesting, around the bedroom tax, because we have talked to local authorities who have actually used the social housing they have got very strategically. For example, there are councils where they have two-bedroom flats that they cannot let. They are hard-to-let flats; they are not appropriate for families, so they have put single homeless people into them with some support, and those people are very happy there. You are now faced with the situation in which those people either rack up arrears or end up having to move from that accommodation, which cannot then be re-let because it is not appropriate for families.

It seems a bit of a blunt instrument in terms of cases like that, and, bizarrely, the cost of moving individuals out of the social housing that they are in and into the private rented sector is more expensive than them staying in the two-bedroom flats they are in, so it does not work in those sorts of situations. Similarly, slightly off the single homelessness, but where you have got families in temporary accommodation, there is a lot of concern about what is going to happen around the benefit cap and the bedroom tax, where local authorities are trying to find the most appropriate accommodation for those families, recognising the individual circumstances, and trying to use their stocks strategically to do that.

Q326 Glenda Jackson: I am seeing—and this is anecdotal—an increase of families, and certainly some single people, being put into bed and breakfast situations. Obviously, my constituency is London. Is this national, do you know? Also there is the use of hotels, which is a euphemism in my view of what they actually provide.

Paul Anderson: The number of people in temporary accommodation has gone up considerably in the last few years, and the use of B&Bs has gone up. That is mainly, but not exclusively, a London trend. There is evidence to suggest that some things are being used that are not technically called B&Bs but are effectively very similar.

Debbie Abrahams: And that includes families?

Paul Anderson: Yes.

Glenda Jackson: Not usually very young children, I hasten to add.

Q327 Teresa Pearce: I have had instances in my constituency where people have been put into bed and breakfast, and they are some of the most vulnerable, poorest families. They then have to rely on food banks, but the food is no use to them because they cannot cook it, so they are actually starving. Have you seen any instances of that?

Paul Anderson: Bed and breakfast is entirely unsuitable for people.

Debbie Abrahams: And expensive.

Paul Anderson: There are no redeeming features. It is very expensive. It puts local authorities in a very difficult position around the benefit cap as well, because if they are not covered by the Exempt Accommodation Rule, they have to factor in the benefit cap. You have got this situation where you have got people in temporary accommodation that is expensive but nowhere else for them to move to because there is no affordable accommodation appropriate for them. Although the benefit cap is very popular with the public, I think the public are under the impression that people are getting large chunks of money as disposable income. The *Daily Express* yesterday said that tenants were "trousering £65,000 of income". What is really happening is people are caught in a housing market that was not of their making, and a rental market that is going up and up and up. As more people are relying on benefits because the disconnect between wages and rental costs goes up, that feeds into that inflation. Individuals who have no choices, as far as I can see, are stuck in that situation—unless you are going to tell people that they have to move to parts of the country a long way away—

Glenda Jackson: It is already happening.

Paul Anderson: —from where all their connections are, to areas where there is often high unemployment and social need. At the same time, part of the aim of the policy is to encourage people into work, so there seems to be a disconnect between putting people in this type of accommodation or telling them they have to move to areas a long way away, and at the same time telling them that the aim is for them to get into work. That is what the benefit is predicated on.

Q328 Debbie Abrahams: Sam, I wondered if you could describe what impacts you have seen on families in relation to their housing benefit as a result of the bedroom tax.

Dr Royston: Clearly, the bedroom tax is having an impact on an awful lot of families with children. I suppose I would refer to what some of the other people have said about some of the impacts on them. To be honest, it is not an area that I have done an awful lot of work on.

Q329 Debbie Abrahams: We have had evidence from other witnesses who suggested it would be more appropriate to consider bed spaces in terms of bedrooms. What are your views on that?

Dr Royston: One service drew my attention to a case where we had a family with an eight-year-old and a nine-year-old that were affected by the social rented size criteria. There were two problems with the policy that were illustrated by this. They were in separate rooms, but the room that they would be expected to effectively share was nowhere close to the size that would be appropriate for two people at the same time. There is a difference between a room for one child and a room where you are expecting two children to share, and that is not sufficiently drawn attention to or legislated for.

The other problem we had was that the girl was eight years old, the boy was nine years old, and in about nine months' time they would not be affected by the policy at all as a result of their being a child who is 10 with another child of a different gender. It seems to me that it would not have been cost-effective for them to move home and then be expected to move home again when the child turned 10 and they had access to an additional room, but that would be effectively what the policy would be encouraging them to do. The other problem in that family's case was that they were not aware of the existence of Discretionary Housing Payments, which would be an ideal source of funding to support them through that period until the child turned 10, because it was clearly a short-term problem. They simply were not aware of the existence of Discretionary Housing Payments, which draws attention to the limitations of that policy for addressing short-term needs.

Q330 Debbie Abrahams: My final question is to Andrew, with my health hat on. I was very interested in your evidence around the health impacts of the SSSC policy. We have heard already from Steve, in terms of the implications, the immediate impacts on the health of people with long-term conditions and with disabilities. I wondered if you could spell out in a bit of detail, again related to the evidence you submitted to the Committee, what the short-term and the longer-term health impacts are of this policy. Again, if you are able to provide some information on what you think the cost implications are as well.

Andrew Fraser: Thank you. In starting to try and unpick this, I think it is quite challenging to distinguish the position that people are already in from the new position they are in with the introduction of this set of tax, the social size criteria. In brief, we are making an already bad situation worse. We are dealing with a very large proportion of people with problems, disabilities, chronic conditions, and the likelihood of taking on additional conditions. They come in all dimensions of health: physical, mental and social. A lot of the people involved in the new arrangements already have health conditions, particularly mental health problems and disability—probably the majority of the 84,000 we identified in Scotland at least come into this area.

As an illustration, consider physical conditions: they under-heat their houses because they are having to allocate money to additional rent; the risk of death through stroke, heart disease and respiratory disease; the worsening of already bad conditions. In mental health terms, the worsening of stress and anxiety, or the introduction of that from new, and self-harm, the likelihood of suicide trends increasing. The social side is perhaps more difficult to predict and identify, but I will take a case study of a family who are in a 1950s housing estate. Every single unit is a three-bedroomed unit. The grandmother is now on her own, two of the three daughters are living locally, and one of the daughters has an acute health problem and is rendered incapable of looking after her children. What happens then, if the grandmother is made to move some distance, because there are no alternatives in housing? Her position has only been saved by a third daughter living at some distance—her relationship breaking up, and moving in with the grandmother.

We are dealing with people with very fragile social and health circumstances, and we are making a bad situation worse by inducing additional stress. It is early days to know precisely what the introduction of this measure in April last year will cause, but we already know from studies relating mental health to other conditions that have entered into the picture over the last few years, that, for instance, the rise in fuel and food prices has an additional effect on health.

Q331 Debbie Abrahams: Have you been able to quantify that?

Andrew Fraser: There is a small study in Glasgow relating worsening mental health conditions to rises in food and fuel prices. Of course, at that time, the landlord had not put up rents and the social size criteria had not been introduced, but we know that these other two influences on already limited budgets have problems. We also know from other case studies that with the introduction of this social size criteria an already limited budget has been plundered so that the already impaired food bill is dropping further, and that person has just stopped heating the house in order to afford the additional rent.

Q332 Debbie Abrahams: This is really shocking in 21st century Britain. It is early days, you are absolutely right, but the issues you raise are a considerable worry. Is

NHS Scotland or Public Health England doing any monitoring of this, so that we do have a clear understanding of not only the health and care implications, but also the cost to society?

Andrew Fraser: Yes, we are. We are monitoring across almost all of the conditions I have mentioned. We are also trying to monitor upstream the determinants of ill health, because the practical effects are much more in evidence. Also the matter of lack of money and lack of power to address the system to one's own benefit has an effect on health downstream. We are aware of that. There is evidence of the links between upstream and downstream effects, but we are monitoring them. It will take time, but that is all in train.

Debbie Abrahams: You mentioned the upstream effects and Marmot indicators around health inequalities, and the exacerbation of that probably as well. Thank you very much.

Q333 Chair: At DWP Questions on Monday, the Secretary of State was at pains to say that the whole point of this particular policy was to move people into appropriately sized accommodation, out of big accommodation to small, and those who are presently on the waiting list into the freed-up larger accommodation. My question to all of you is whether you have evidence that people are moving. Are waiting lists for larger houses coming down? Is that what is happening?

Andrew Fraser: The evidence I am hearing, in common with other contributions, is that people are trying to hang on to the rent they have rather than move.

Q334 Graham Evans: Andrew, you used an example in a case study there of a grandmother and her daughters. Is the grandmother, in this particular instance, of pensionable age?

Andrew Fraser: No.

Chair: My friends are becoming grandparents and I am not quite near pensionable age yet. We have touched on Discretionary Housing Payments as we have been asking questions, and Sheila Gilmore has got some questions.

Q335 Sheila Gilmore: That reminds me of being in court one day on a child custody case. I was acting for a grandmother who wanted care of her grandchildren. The solicitor on the other side was going on about this aged grandmother and how she could not cope with children. The sheriff, who was about 55 probably, leant over and said, "And how old is your client?" and he said, "Well, she is 37, My Lord." So, collapse of case. I wanted to ask a bit more about Discretionary Housing Payments. In some of the written evidence there is a suggestion from some of you that perhaps people are not fully aware of the ability to apply. Have you got any hard information about that?

Dr Royston: I gave the example of a case that came to the Children's Society through our own support workers, and there is a real problem of awareness. There are some quite simple steps that the Department for Work and Pensions could take to address that. For example, it would be possible to assist local authorities by highlighting or providing links or signposting to DHP schemes locally from the gov.uk website, something that does not happen at the moment. More signposting at that national level where people may go for support with finding assistance could help with getting people in touch with that. There is also a challenge that works with Discretionary Housing Payments and also with local welfare assistance: concerns about what is going to happen in the future with levels of support make local authorities in some cases concerned about there being too wide an awareness of the schemes in case demand goes up to an unsustainable level in the future.

Q336 Sheila Gilmore: Can I ask what you will be doing to try to pass on information about this?

Dr Royston: They are quite similar areas, but we have done more work on local welfare assistance schemes. One thing that we did on the Children's Society website was to provide that signposting. We provided a map so that families who needed support through local welfare assistance schemes could put in their postcode and find out what support was available locally and get a link directly through to their local authority website to find that. We have actually discussed integrating DHP into that, but I suspect only a small proportion of the people who need help end up getting to the Children's Society website. It would be more productive if that could be on the gov.uk website.

Q337 Glenda Jackson: Again anecdotally, my local authorities were very up front about both possibilities of support, but the situation now is they have not got the money. The level at which people would possibly qualify for that has got higher and higher in their attempt still to maintain such support for the most needy, but the money simply is not there.

Dr Royston: That is certainly true from next year for local welfare assistance. On Discretionary Housing Payments, it is unclear what level of support is going to be provided in the future. It is clear that DHP pots have gone up considerably since 2010 in order to help local authorities to deal with the transitions as a result of changes to the structure of housing support in the welfare system. How that is going to continue in the long term is very unclear, and that does raise real concerns for local authorities, particularly in the context of other similar pots, like local welfare assistance, being cut entirely.

Q338 Sheila Gilmore: Steve, I think in your written evidence you suggested that you thought funding was insufficient despite the increases. Have you got evidence of that?

Steve McIntosh: Yes, on two fronts. One, just looking at the numbers nationally, the Government, in response to a written question said that 60,000 people entitled to Carers Allowance were being affected by the size criteria changes. We know that the pot of money designed to support disabled people, a £25 million pot, would only extend to supporting 34,000. If you look at just the numbers of carers versus the number of households with disabled people, carers: 60,000 people in receipt of Carers Allowance, and that is likely to be an underestimate. That is just those entitled to the benefit as opposed to those with caring responsibilities: 60,000 versus 34,000 this fund would support.

Equally, it has never been clear what calculation the Government did to arrive at the £25 million fund and 34,000 people. The discussion is around people with significantly adapted homes, but the National Housing Federation, for example, says that it is nearer 100,000 people with very significantly adapted homes. If you look at that figure, again the fund simply is not sufficient to cover a range of different measures. From our own research and interviews we have done with carers, only 23% of carers were receiving a discretionary housing payment, and only half of them were receiving it for a full year, which was the maximum award. Around 10% of them were receiving it for a full year, and a further 10% to 13% received it for just three to eight months within that year. Both our analysis of the national sufficiency of the fund compared with the numbers affected, but also our own research of families' experiences, show that they simply are not reaching families. The messages are from local councils that people are actively being told by councils, "There is not enough money." Some are actually saying, "It will be a temporary payment; there is no point in applying, because there is either not enough money or you will only get it for a few months, and your need is long term." Equally, there are councillors who are actively saying, "This is a transitional measure, so you will only get this for a short period, and if your need is long term, this simply is not the device to support your needs in the longer term."

Q339 Sheila Gilmore: Has anybody got experience of people getting longer term support? I think at Questions to DWP Ministers this week, the Minister suggested that there was no need for people to be required to apply repeatedly if their circumstances were not changing, so has there been any greater propensity to give longer term DHPs?

Hilary Fisher: We only have anecdotal evidence that women survivors who are applying are receiving it, but it is increasingly temporary and there is a lot of anxiety around it. To go back to the mental health issues that you mentioned, in our one-day survey, 47% of women staying in refuge accommodation on 27 June last year were affected by mental health issues. That is an increase of 10% from the previous year. We know that worries about future accommodation and how they are going to manage is a massive part of that, so having to apply continually for a discretionary payment adds to that worry.

Q340 Sheila Gilmore: Has anybody else got any additional information on length of time?

Steve McIntosh: It is interesting to look at some examples of how local authorities are viewing Discretionary Housing Payments. For example, Croydon Council's website was mentioned by one of the local government witnesses in your previous sessions, who described there needing to be an exit strategy from DHPs before they were awarded. Croydon Council says, "We cannot consider paying DHP until he found a specific property to move into." That completely prohibits people who need it in the long term, so part of their criteria for awarding it is telling people, "You will only get it if it is short term." We are seeing a lot of that from different families who come to us who simply say that, when they try to apply, they are told, "This has to be transition; there has to be a method for you to leave that transition measure," because it is simply not a long-term award. We have not seen a single example of an award longer than a year.

Paul Anderson: In terms of single homelessness, there seems to be very little awareness about DHP. As far as I can tell, local authorities may be saving it for homeless families who they think might become homeless who might have priority need, and they have an obligation to rehouse them. I guess that the relatively slow level of spend that was identified in the Chamber the other day is to do with them waiting for the benefit cap to roll out and to understand exactly what the impact is, and just the other benefit changes to filter through to try to make sure that they do not run out of money halfway through the year. I suspect that might be what is going on.

Q341 Sheila Gilmore: Have your organisations been able to secure DHPs to help people move into private rented accommodation? I am thinking of the issues around deposits and month-in-advance rents that people sometimes have to pay, which could be a barrier to exiting temporary accommodation, for example.

Paul Anderson: In some local authorities, people can get a deposit to move out of a hostel, for example. In others they do not allow it. It varies in our experience.

Anna Page: In our experience it is very hard for our clients to access DHP. As Paul mentioned, we are being told that children and families would be prioritised, so we generally do not even apply for it because our experience is that we will be told it is not available.

Q342 Sheila Gilmore: In some cases, perhaps not all—I do not think we necessarily know—what councils seem to be doing is, even within the groups to whom they are giving priority, applying another means test. I think Steve mentioned already the question of DLA being included as income, but I wondered what other experiences people might have had with the type of means test that is being applied.

Paul Anderson: I do not really know. I think there has been a very mixed picture. It has primarily been for rent deposits, and it has been a mixed picture in terms of what is asked for more generally, because it tends to be for families or for people who have a strategy to get out of the situation they are in—getting work or moving. It has not been that helpful.

Sheila Gilmore: Steve?

Steve McIntosh: I would add to the example of taking into account Disability Living Allowance. From the interviews we did with families, we had examples of councils setting a spending limit on food, for example, so a family that was spending in excess of £3.50 a week on food per person. In circumstances where it is potentially a very severely disabled or ill person who requires a special diet, for example, this is completely impractical. They were exceeding that specific amount so they were seen to have sufficient money that they could pay the shortfall in rent. Of the other examples of people seen to have had unnecessary spending, I would say there were appalling examples of people who were spending money on spectacles or saving up to replace a vacuum cleaner being told that money could have been used to pay the shortfall in rent, so really very specific financial measures. Looking at some of the DHP application forms, you might find three pages, in the examples I have looked at, of financial assessment, with a box at the end saying, "Are there any special circumstances?" which in theory is where you would insert the details about disability or caring responsibilities. In those circumstances it really is not an assessment of need; it is a means test of finance.

Q343 Sheila Gilmore: Is there any way in which guidance to local authorities would help to standardise this or help to make decisions, or do you share the view of the Government that it really is up to local authorities to decide how they apply this?

Hilary Fisher: We would certainly urge that, in the cases of women survivors of violence, there is guidance to encourage them to pay the discretionary grant in full, because these women have no other resources. The chances are, if they had a job, they have either left it because they have moved for safety, or they cannot go back to the job because it is not safe to do so, so they do not have another source of income at all. As I mentioned before, when they have left, they have usually done so in a situation where they have brought nothing with them, not even a passport or a driving licence to be able to prove who they are. Then they have a process of having to go through and rebuild their lives; finding an alternative source of income is not practical in the short term, and it certainly takes them quite a long time to get back to that situation. I have already mentioned mental health and other stress issues that they have, so we would urge that there is some recognition in that guidance of the specific circumstances that those women face.

Dr Royston: We would say exactly the same. It is very important that there is clearer guidance on the use of Discretionary Housing Payments, including guidance on how people should be made aware of that, so that it is made clear to local authorities that they do have a responsibility to make sure that people in their local area who need that support know about it and are able to access it.

Steve McIntosh: Just very quickly on disability, the Government has issued some guidance within the DHP manual around prioritising people with significant adaptations to their homes. That is apparently the measure by which they picked the amount for the discretionary pot for disabled people. Unfortunately, this is a very narrow view of what disability and caring needs are. For example, for someone caring for a partner who has dementia, who wakes in the night and could become violent and distressed because they perceive a stranger in the room, there could be no doubt they would need an additional room, but the home may not be significantly adapted. If they follow the guidance and the pot of money set aside for significant adaptations, they would exclude the person caring for someone with dementia. If they extended it to the person with dementia, they would therefore potentially be disentitling someone with significant adaptations. This is intricately tied in with the sufficiency of the pot, and the current guidance really does put quite severe boundaries around local authorities if they are looking to prioritise people, specifically around adaptations, to the exclusion of other people with very clear needs.

For us, the solution is around giving local authorities the power to exempt, because many local authorities will have assigned someone a property specifically because they need an additional room, so will be clearly aware that there is a need there, but they do not have the power to say these people should not be affected in the first place.

Q344 Sheila Gilmore: Andrew, I have a question arising from your written evidence, where you suggested that GPs are now beginning to get requests for medical evidence to back up DHP applications. Is it a problem, and how much of a problem is it, to GPs?

Andrew Fraser: Yes, it is a problem. The problem we have with interpreting how much is the extent to which they are already stressed. I am quoting from the Deep End Report of October 2013, where it says, in respect of the social size criteria introduction, “There have already been damaging effects on communities, families and support networks for society’s most vulnerable,” and I have quoted some case studies. The effect on them, they say, is that it compromises the care and time spent on other activities, and places additional demands on an already overloaded system. They are saying, qualitatively, they are reapportioning finite time and resources in general practices to cope with this additional load, and other things have to give way. It is an opportunity cost that is uncosted rather than an additional cost that they can identify, so an already stressed system being further loaded.

Q345 Sheila Gilmore: Is there any evidence of how these are then used in terms of local authorities, or do you not know that?

Andrew Fraser: There are plenty of case studies of problems they have with the assessments they give and the opinions they have, and they are asking for extensive revision of the way these matters are assessed. Their main criticism is that they do not look at practical effects of health conditions. It is a very medical model, shall we say, of what they have and how you would grade the condition, rather than the practical effects of the disability or the effects on others in the family. Due weight is not given to the consequences of health conditions rather than the health conditions themselves.

Q346 Sheila Gilmore: One of the things that has been raised—and it has been raised by Ministers—is that many local authorities have used less than half of their allocation for this year at the halfway point. The implication is that the problem is not as great as people like you, perhaps, are suggesting. Have you got any comment on that? Preferably not everybody.

Paul Anderson: As I said earlier, I think that there are particular criteria that have been set around DHP—that people have to conform to certain sorts of behaviour to be eligible for it around being willing or able to move, or being able to find work. There needs to be an exit strategy, as we said, and that can be quite difficult for single homeless people who have been through quite traumatic experiences, and for whom there has been a lot of work and time invested in settling them into their accommodation. If they are not fitting within that criterion of what they are able to do, if they are not willing to move or get jobs, the council may say it does not work for them. Similarly, it is not really clear how it would help people, as we know that more and more people are losing their tenancies as a result of the tenancy just being ended by the landlord.

I think that councils have been in quite a difficult position because this stuff has been rolling out over a period of time. The benefit cap was only fully rolled out at the end of September, so they were having to balance trying to predict what the need was going to be over a longer period of time. As the other benefit changes had an impact as well and as people reacted to those, they might have thought they could cope with the shortfall of being able to pay it themselves, so they are having to keep money back.

The other thing that I think would be quite interesting would be to do some comparison, if the Committee has not done it, looking at levels of application against levels of allocation of DHPs. Just because the money has not been allocated does not mean, I would argue, that there is no demand or need for it. It is just that councils are trying to protect their budget for the whole year, because they do not want to run out with three months to go.

Dr Royston: The only thing to add, to come back to this key problem of awareness, is that many people are not aware of the existence of DHP pots or that they could access them. That is one of the reasons why interventions like the Targeted Affordability Fund are a better approach to ensuring people can afford their accommodation than DHP, because they do not rely on people knowing about them and being prepared to go through a complex process in order to access them.

Q347 Chair: Hilary, you mentioned sanctuary rooms being classed as an extra room. Do you know if people in that situation are applying for DHP, and do you have any evidence that they are being awarded it if they do apply?

Hilary Fisher: No, I do not have any evidence on that. Sorry, it is not something that we have had enough information on.

Q348 Teresa Pearce: Andrew Fraser, you were talking about doctors supplying medical evidence. In my constituency, some doctors charge £35 a time for those letters. Is that normal practice or is that just them charging for it?

Andrew Fraser: No, it is not the norm. I think GP practices have coped in various ways. I personally find it difficult to think of a public service that charges people who have nothing even more. We have to realise the way primary care are compensated for the services they provide does not necessarily cover these sorts of areas. They are paid on the basis of other medical interventions rather than writing letters, with the extensive resource implications of conducting correspondence, sometimes without apparent end, with the assessors and other agencies. While I have sympathy for the pressures on general practice, I find it very difficult to see that as a practical, sustainable and humane way of coping in the support of patients who have very little.

Hilary Fisher: Not with regard to this, but we know that women who are seeking Legal Aid who apply to doctors for a letter to provide the proof that is part of the gateway are being charged up to £90 for a letter.

Teresa Pearce: Okay, that is something maybe we have to look at another time.

Chair: £70 is the level I have heard of.

Q349 Teresa Pearce: We talked about the Discretionary Housing Payments, but there is also what used to be the Discretionary Social Fund. Payments have been made available to help claimants pay rent or deposits out of that fund. Some local authorities will not do that, and will actually pay out a discretionary housing payment, but there is a problem because each local authority does it differently, and it is not really the purpose of the Social Fund to pay rent. Do you think there are any problems with this conflict of different funds?

Dr Royston: I think there is. We did a report into the localisation of crisis loans for living expenses and community care grants when they were first introduced in April last year to look at what kinds of schemes local authorities were introducing. One of the concerns that we had in that report was that in some cases local authorities were not providing rent in advance and rent deposit schemes as part of that scheme, where previously people were accessing crisis loans for exactly that provision. In some ways, it is that process of localisation that contributes to that confusion of where people can turn to. It would be welcome to have a single source of support from local authorities to make sure that people can get access to rent in advance, but with that pot of money being transferred into local welfare assistance and local authorities using that money to support local welfare assistance schemes, there is a concern that the amount of money available for rent in advance, for rent deposits, might reduce if local authorities were no longer providing it through that source of support.

Q350 Teresa Pearce: One of the problems with this devolved fund and devolved power is there is only guidance, such that each local authority can do it differently. Some local authorities still have something similar to the Social Fund, others just have voucher systems, and it is a postcode lottery, isn't it?

Dr Royston: It is a huge postcode lottery. We found that different local authorities have very different criteria, very different forms of support and very different application processes. One of our key concerns is that that can only get worse in the future as a result of the DWP announcing that they are no longer going to fund local welfare assistance from 2015. We have not heard from DCLG, but we certainly have not seen any commitment from DCLG to provide funding for those schemes going forward. What we would expect to happen as a result of that is that what is already a bit of a postcode lottery, different local authorities having different schemes, will become very different between different areas. Some local authorities are clearly very committed to having their local welfare assistance schemes in place and supporting people with needs, including their housing needs. Other local authorities already introducing very limited schemes without the money to continue to provide that provision in the future will stop providing that support altogether. That would be the expectation.

Q351 Teresa Pearce: Different local authorities have different criteria. Have you seen instances of criteria that you think are unreasonable?

Dr Royston: One of our concerns is that you could get access to a crisis loan without any qualifying benefit criteria. You did not have to be in receipt of certain benefits in order to receive access. We know that about a quarter of local welfare assistance schemes say you have to be in an out-of-work income replacement benefit, so something like income-based Jobseeker's Allowance, Income Support or income based Employment Support Allowance, meaning that low-income working families would no longer have that access to support. That is a really big concern, because we know that one key reason that people turn to that form of support is, for example, their employer not paying and them running out of money as a result.

We have done some quite productive work talking to local authorities directly, encouraging them to make sure that their schemes are appropriate and serve the needs of their local population—the families in their area. One of my concerns about what is going to happen with the loss of funding, from DWP sources at least, is that those conversations are going to be a lot harder, and it is going to be much harder work to try to get those effective schemes in place across the country.

Q352 Graham Evans: Just a quick question; you mentioned the postcode lottery, and it varies from one local authority to another. Can you give us an example of best practice? Which local authorities in your view are good role models, and how would you like to see that duplicated throughout the LGA, for example? "This is how we believe, as an organisation, it should be done." My particular example is of a Jobcentre Plus that changed the local authority, Cheshire West and Chester. In my opinion they are a good local authority and it seems to be working well. Do you agree with that? Are you aware of my council? Just give us some idea of best practice.

Dr Royston: We had a few recommendations that we have been taking to local authorities. We have also been working with the LGA, looking at best practice and looking to encourage local authorities to think through their schemes. One thing that I have already mentioned is that we think that low-income working families should be included. We welcome those local authorities that have made sure that low-income working families can still get access to emergency support. We have also suggested that the residency periods should not be set to extended periods. We know that people have had to have lived in the area for, in some cases, as much as 12 months before they can get access to local welfare assistance. When as a result, for example, of changes to housing support, people move from one area to another, we think there needs to be joined-up provision to make sure that there is a local authority that will provide them with the local welfare assistance that they need in order to help them with that transition. We understand that there needs to be some residency criteria because it is a localised scheme, but it should not be set to extended periods.

The third thing I would say, and one key advantage of localisation of the schemes, is that in some areas there have been some really good examples of work to bring together different forms of service provision. Where previously people would go to DWP and ask for a crisis loan, and there would be no joining up with other services to address the underlying causes of their problems, we now see some local authorities using that provision of emergency support as an opportunity to put people in touch with other services. That is one benefit of that kind of form of localisation, and something we would like to see replicated more broadly, but all of this is going to be really difficult for local authorities in the context of losing the funding from DWP.

Hilary Fisher: For women escaping violence, immediate support, as I mentioned, because of the situation they are in, is absolutely vital. We are increasingly receiving reports about attitudes of local authorities to women who have come from out of an area into their area, which very often happens in refuge situations, about how willing they are to support those women in those circumstances. I would really like to support what you were saying about this issue, certainly in the cases of women who have left somewhere violent and come to somewhere new: there should be no requirement for them to have been local for some period of time.

Q353 Graham Evans: But that is a case of the agencies communicating correctly with one another, isn't it, surely?

Hilary Fisher: It is also about what is recognised. Janet Bowstead, who has just done a PhD, did some research that looked at 18,000 journeys in and out of refuge. She can show you, because she has mapped across England—it is a migration—that these women are moving significant distances. The challenge is that the local authority, wherever it may be, does not want to support women who have come from outside because they do not see it as a benefit to them. The issue of refuge housing needs to be looked at in a national rather than a local authority context, and the support around that, including access to crisis loans, needs to be seen in the same way.

Q354 Chair: There is a wider issue there that you have identified. There has been this problem in moving between local authorities for a long time. That is not something new, but the imperative about some of the Government's policies is they want people to move for work or cheaper housing, so there are things that are pushing people out of one local authority area. Unless the receiving local authority changes the policy, that is not going to happen. Is that what you are finding?

Anna Page: It is definitely an issue that we are seeing a lot, and it is having a really big impact. Just to contextualise the role of local welfare assistance for single homeless people, it is particularly for when people are moving into a new accommodation. The FOR-HOME study, by academics at the University of Sheffield from 2011, found that when people were moving into independent accommodation, only 5% had all the basic furniture provided. 80% of people were receiving some kind of grant or loan to fund that, and at the time that was often a Community Care Grant.

Obviously, we are now looking at local welfare provision, and, as Sam outlined, it is very variable. In some cases we are seeing it is more targeted, but often it is much harder to access. There are two major issues that are really affecting our clients and, we believe, homeless people more widely. First, there is this issue about not having access to schemes when people move authorities. We are increasingly giving out vouchers for food banks to our clients when they are in a situation, and when our project staff apply for it, they have to give a reason. Here is a quote; quite a few of them relate to people not having access when they are moving. "The client has just moved into a flat following a period of rough sleeping. He was unable to access loans locally to help kit his place out as he had moved boroughs to get into his new flat, and had not been in the local borough long enough to qualify for support. He has used a lot of his benefit money buying bits and pieces for his flat, and is having to use soup vans and day centres for food." We are seeing that quite a lot, so that is a real concern for us. Again, we would like to see across London, or preferably nationally, some recognition of this and something to address it.

Paul Anderson: The Government have a vision of nobody spending a second night rough sleeping. This is fantastic, but the kind of flagship project for that, if you like, was the No Second Night Out project in London, where they did exactly that. They got 80% of people, I think, not spending a second night out, but that is premised on being able, where appropriate, to get people into accommodation quickly, and that is about where the available and affordable accommodation is. That might not be the case where the person has a historic local connection. That group of people just fall outside of this localised approach, and some people who are rough sleeping have no provable local connection with any area over a long period of time. There are no options for them at all.

Chair: We are moving on to localised support for council tax.

Q355 Dame Angela Watkinson: My question is about the impact on vulnerable tenants of the localisation of council tax support. I would like to look at which groups of people are defined as vulnerable and protected as such. Does it include carers—should it include carers—and is it consistent across all local authorities? I do not know who would like to take that one first.

Steve McIntosh: Carers UK very clearly called for carers to be a protected group within the clear regulations the Government set down for local authorities. They are not, and we are seeing a huge number of cases of carers now paying additional payments towards their council tax. On the rationale for exempting pensioners, for example, the Impact Assessment from DCLG said, "Unlike most other groups, pensioners cannot be expected to seek paid employment to increase their income." We would say the same very much applies to people who are caring full time for older or disabled loved ones, so we see a very clear case for carers to be protected from paying additional payments.

It is very hard to look at the impact nationally just because of the variability of the local schemes that have been designed. We did try, in what is likely to be a very conservative estimate, to look at those local authorities that are applying a blanket charge across the whole working-age population, so they are not protecting any vulnerable groups. Just within those local authorities, looking at the number of carers in receipt previously of council tax benefit, it is likely that at least 240,000 carers are now paying additional council tax payments following the localisation of support. Work by the Joseph Rowntree Foundation said that could be an average bill of £138 a year. Layered on top of the fact that many of those families will be paying a shortfall in rent from the size criteria change, you could be looking at families paying over £700 for the size criteria change a year, plus £138 on average for the council tax changes, so I think any household, regardless of their circumstances, would struggle to withstand the introduction of an extra £900 to pay from their income per year. For carer households, very often where they have given up work to care, if they are caring for a partner they may not be able to work as a result of ill health or disability, we really are seeing people who are just simply unable to afford this.

Q356 Dame Angela Watkinson: How does this impact on families where the carer is a child of the family who is caring, for example, for a disabled parent, who has caring duties before they go to school, come home at lunchtime, do the shopping on the way home from school in the evening, and then take on household management duties as well as caring for a disabled parent? Does that qualify the family for council tax support? What happens when that child reaches the age where they have to relinquish those duties to enable them to go to college, for example, or to go to work, and an outside carer has to take on that responsibility? How does that impact the council tax support?

Dr Royston: As far as I know, it is certainly not an automatic exemption, and I think in an awful lot of local authorities they would face a flat charge in those circumstances. That is a particular group that is actually facing quite considerable changes as a result of welfare reform more generally. For example, disabled lone parents will lose the so-called Severe Disability Premium as a result of the introduction of Universal Credit, which will have a very big impact on family resources in those circumstances, affecting an awful lot of young carers. I think there are broadly two approaches to supporting the most vulnerable groups through council tax reduction schemes. One is outright exemptions, which you have drawn attention to, and there is a case similarly for, for example, lone parents with children under the age of five, who again would not be expected to be moving into work at the moment, to be getting that automatic exemption from any charge.

The other thing is that local authorities can introduce schemes that are more progressive and affect the lowest income households in their areas earlier. For example, by introducing stricter means tests as people move into work, so reducing entitlement to council tax support more quickly for people as they move into work, you can reduce the amount of, or eliminate altogether, a flat rate charge that affects a household with no other form of income whatsoever. We have encouraged local authorities, if they cannot exempt vulnerable groups, to pursue strategies that do not leave the lowest income families with a council tax charge that they simply cannot afford.

Dame Angela Watkinson: Thank you.

Chair: We are on our last section, you will be pleased to know, and it is about housing costs as part of Universal Credit.

Q357 Nigel Mills: We all probably know that Universal Credit will be paid to claimants monthly, and will generally include the housing cost element, and the claimant will be responsible for paying the landlord themselves. We have heard concerns that may lead to an increase in rent arrears for some tenants. Do you have any feeling for any groups that might find this way of paying their rent particularly troublesome?

Hilary Fisher: If we were to take survivors of violence, the issue might be that on arrival in refuge they will have no money. They might have to wait five weeks for a payment, so they would then be in a position where they would need to get some kind of cash payment to meet immediate living expenses. It is unclear how the alternative arrangements would interact with any budgeting advance, and if they are discretionary there is no guarantee that they will get them. The challenge is that these women are likely to be absolutely without any means to start with, so in terms of monthly payments in arrears, that is a massive problem.

If we were to go on to the issue of the whole month approach, that is a problem for the refuge because of the issue of the number of women who come for short stays. They may not be in the refuge for that whole month, and therefore would not be counted, so there would be no rent. They may well have left the refuge before they fit within that period of time, so, again, that is an issue. This is a rough estimate, but a quarter of stays in refuges are short.

Q358 Nigel Mills: The refuges will not be in the supported accommodation stuff that is going to be handled separately.

Hilary Fisher: At the moment, 70% of our 185 members who responded to the survey said that they thought that they were in exempted accommodation, which means 30% think they are not. It is that 30% we are concerned about.

Q359 Nigel Mills: Any more comments on direct payments?

Paul Anderson: Similarly with homelessness projects, as I said earlier, the split is roughly 50/50 between those that meet the definition of exempt accommodation and those that do not, at the moment. Beyond that, we are very worried about the issue of identifying people who are potentially vulnerable, even if they fit within one of the groups that might be highly likely for alternative payments—payments directly to the landlord in particular. We have done some work on sanctions recently, and we found that homeless people were 10 times more likely to be sanctioned than the general JSA population. That ties in with some work we did on the work programme a couple of years ago that suggested staff have trouble identifying people who are homeless, who might have drug and alcohol problems, or mental health problems, and other support needs.

The risk is that in the dialogue that takes place between the people at Jobcentre Plus trying to make an assessment as to whether this person is somebody who needs extra support or needs a different method of payment, that does not work out. For whatever reason, they put the person on the wrong payment approach and the person ends up in big arrears. I was talking yesterday to one of the local authorities receiving people moving from the Pathfinder areas, and they are finding that is exactly the situation. It is relatively small numbers because there are only small numbers on Universal Credit, but even now there are people who are being missed and ending up getting the money paid directly to them and spending it on other things and getting into huge rent arrears. We think it is very important that any alternative payment arrangements and support mechanisms are trialled very carefully before they are introduced, because it is a real worry.

Andrew Fraser: Can I just expand on the point Paul was making? We are already dealing with vulnerable groups here with mental health problems, learning disabilities—people on very limited budgets. One of the problems they have in addition to their conditions is great difficulties with money management and budgeting. To expect people to divide a very modest sum of money into various pots: housing, fuel, food—to divide them by 31 or 30 or four and a half or whatever, weekly or daily budgeting, is expecting much more than we can reasonably expect of people in this sort of situation. I think it displays a great insensitivity to the way people live their lives who are claimants on benefits generally, and this housing benefit in particular.

Dr Royston: One thing on the evidence about direct payments from the Direct Payment Demonstration Project is that quite high proportions of tenants had to be changed back to payments being made to their landlord. I think in May last year, 20% of the total claimants had had to be changed back to their landlord in the project as a result typically of quite large arrears building up. One thing to draw attention to is that the project review of the Direct Payment Demonstration Project found that was the result with quite resource-intensive interventions that they were concerned may not be scalable following the roll-out of Universal Credit. One thing that is going to be a real concern will be whether local authorities are able to find the funds to be able to support people with those kinds of resource-intensive interventions that are needed in order to support many of the people who will be on direct housing payments to be able to cope with their rents. We would be keen to see the local support services framework providing sufficient support to enable local authorities to put in place that kind of an intervention to enable that to work with the people who it could work for.

Q360 Nigel Mills: Do you think the framework, as it currently exists, actually enables that to happen, or does it need some changes?

Dr Royston: We need to see what resource is going to be attached to carrying out that local support services framework, and when local authorities are going to get access to that resource to enable them to put some of the payment arrangements and support suggestions into place. The other thing is that it would be good to see a presumption that people who wanted alternative payment arrangements, for example, were able to access those rather than it being at the discretion of a decision-maker. If people want payments made more frequently than monthly, they should be able to opt into that; if people want payments made direct to their landlord, they should be able to opt into that. That is not the current situation and, basically, who is better to make that decision about whether people need support than the person themselves?

Anna Page: We have been pleased to see in the emerging guidance the recognition that a lot of people will need support, and a specific mention around homelessness. We were really pleased to see that, but, as Sam has outlined, what has not been said is how much will be funded, how it will be funded and where it will come from. That is really concerning, because these transition arrangements are really important if it is going to work and not further exclude a lot of people. Lord Freud has recognised that 3.5 million people will need some kind of support. That is quite a large number of people, and, within that, different organisations work with some of the people that are the most excluded and might have the biggest needs. It is a real question of needing to interrogate what steps the Government is taking to ensure that it supports a whole wide range of different need.

Q361 Dame Angela Watkinson: I just have a very brief point on the direct payment issue. In a previous session of this Committee, we heard from landlords. They said the reluctance to accept housing benefit tenants was because they are less reliable in paying the rent. Do you think, if the rent was guaranteed by being paid direct to the landlords, that would help to overcome that reluctance?

Paul Anderson: I am going on the record and saying that, if Universal Credit goes ahead without direct payment to the landlords, plus all the other insecurity that is going on at the moment, it will lead landlords to go elsewhere for tenants.

Dame Angela Watkinson: You think they will be more reluctant than ever to take housing benefit people.

Paul Anderson: I think so.

Dr Royston: One thing to note is that the direct housing payments will particularly apply to social tenants, because it is already the situation with people in the private rented sector that they would normally have their housing benefit paid direct to them rather than to their landlord, which leads to exactly the situation that you raise. Whether regulated social landlords are, for example, going to pull out of the market—feel they can no longer offer support to the most vulnerable clients—would be a question, but I think there is a bit of a difference between private landlords no longer feeling they are able to offer support to people on housing benefit, and social landlords and the impact on social landlords. In many cases the impact, given that it is social landlords, will not be that they no longer offer support but that they find it harder and harder to provide sustainable provision because they are not getting the level of payments in that they would need to be sustainable.

Paul Anderson: Just to clarify, I was primarily talking about private landlords when I was saying that. A big attraction for private landlords when working, say, with a social lettings agency from a homelessness organisation is that they will say, "We will get the rent paid directly to you," so there is an incentive to take those clients, as distinct from people who are not claiming benefits.

Q362 Chair: The claimant in a private rent ought to have it paid directly to the landlord. They can, can't they?

Paul Anderson: If the circumstances are right, yes.

Q363 Chair: They can do that, but you are not sure whether that same provision will be there under Universal Credit.

Paul Anderson: Under universal credit, it is the DWP who will decide.

Q364 Sheila Gilmore: When I was doing some research on this issue previously, this was pre-2010, one of the strategies that some local authorities were following, in terms of homelessness and getting people to move on, was the suggestion you made there of setting up their own lettings agency to negotiate directly with landlords, get direct payments as part of that, or offer some sort of deposit guarantee as well. Is anybody aware if these are continuing? Are they being expanded?

Chair: They have abandoned it in Aberdeen, I know.

Paul Anderson: It is a model that is used quite a bit, but they are examples where private landlords are just saying everything that is going on is just more trouble than it is worth, to be honest with you.

Chair: In Aberdeen, they did not have the deposits, so they did not have the money to expand it, and it was a problem. Sorry—another time. Nigel, back to you.

Q365 Nigel Mills: Can we just turn back to the impact of supported accommodation? I think, Hilary, you gave us the answer that about 30% of your members were worried that they would not be exempt in supported accommodation.

Hilary Fisher: That is 30% of those who responded to the survey. We had 185 members respond to the survey.

Q366 Nigel Mills: Is that the same sort of level that you all see?

Anna Page: Yes, a third of our properties with which we are concerned would not be exempt, yes.

Paul Anderson: It was about half in the survey that we did—46%.

Q367 Nigel Mills: Mr Anderson, I think homelessness projects are meant to have been kept out of Universal Credit, are they not, somehow? The Government are looking for a localised solution for the long term, and I think you have some concerns about that. Could you just set those out for us?

Paul Anderson: Yes, certainly. In the short term, they are looking at what can be done with the definition of exempt accommodation to cover the problems we are talking about of services falling outside. In the longer term, Lord Freud has expressed his desire to move to a localised approach to the funding of supported housing. This is not just a homelessness issue; it is all supported housing. The concern is around the protection that would exist for those services supporting people; the budget which funds support elements of supported housing was un-ring-fenced a few years ago. Even though local authorities had invested a lot in supporting people, put a lot of time into it, and even though it was shown to have made savings for the public purse, that budget has been eroded year on year. I think half our members saw reductions in the last year. The concern is that the funding of supported housing will not be protected—the very base funding that runs the projects and pays for the staff to open doors, to do security checks, to help with the rent arrears, and all of that sort of stuff—and that local authorities, under the pressures that they are, will gradually erode that funding. You will then end up with supported housing being financially unsustainable.

Q368 Nigel Mills: Presumably, for the other witnesses, the risk of Universal Credit and direct payments is on supported accommodation. Hilary, you set out that in Wandsworth someone is there for a very short term, and they have left before the money turns up. Presumably, they will not be very inclined to come back and pay, but are there any other impacts on supported accommodation that you think may result from direct payments? Is it just the fact that they do not pay the money over?

Hilary Fisher: Yes, and there are issues around the flow of rental money to the refuge service, because it is the last week, I understand, that the assessment is made on. How can that assessment be made if they are not there, because the spending is at a different time? The reason why it is really important for us to look at refuge accommodation not on a local basis is this whole issue of women who have actually moved three or four times to different refuges. They move to really different spaces, and it is based on how violent the partner is. You may end up with somebody going from Carlisle to Canterbury because it is not safe. You may find another woman is able to move just to the district next door because the problem is not so significant.

Again, this research by Janet Bowstead showed that women moved three or four times between refuges, and there is a massive issue about what accommodation they can move on to. The challenge at the moment is, if it is a service provision that is provided locally—an outreach service—it is the responsibility of the local authority. Once they have crossed the boundary and go across to another district, it is no longer the responsibility of the local authority that they came from. But with local authorities increasingly looking at refuge and provision and saying, "Well, actually, we want to restrict it so that a percentage of spaces are available only for women within our local authority," that means refuges are no longer able to provide the security that they are out there to do.

Q369 Nigel Mills: That is not a fire bell—do not worry. Can I just move on to a completely different topic—the support for mortgage interest? Have any of you got any concerns about the zero-earnings rule in Universal Credit for support for mortgage interest? Will that create any problems?

Dr Royston: We are very concerned that, at the moment, if you are on an out-of-work income replacement benefit, you would be able under certain circumstances to get support for mortgage interest, which means that some people working up to about 16 hours a week, 24 hours a week in certain circumstances, may be able to get that help. Under Universal Credit, the introduction of a zero-earnings rule means that, if you earn anything at all, you will lose your support for mortgage interest. We are quite worried that this could introduce a lot of complexity for owner-occupiers—people who may take on a couple of hours of work, perhaps informal work, report it as they should, and then find out that they have lost all help with their mortgage interest payments as a result.

How rigorously that zero earnings rule is going to be applied will be quite crucial, I think. There is recognition that the decision about how to provide support for mortgage interest is a complex one, and one that has never been resolved, either properly in the current system or in Universal Credit, but this feels like a backward step—something that will make things more complicated for those owner-occupiers who are on a very low level of earnings or have occasional earnings.

Q370 Nigel Mills: Any other comments on that?

Steve McIntosh: I would probably just echo that, in that carers are particularly likely to be in very low-paid work and only able to work a few hours per week. In some ways Universal Credit could incentivise work for people working very low levels who currently face a very steep withdrawal of benefits within the means-tested benefit system, but carers very often seek very flexible low-paid work in a local area so that they can manage to balance that with caring responsibilities. If they risk completely losing any support with mortgage interest, that is a very significant disincentive to them engaging in some limited amount of work alongside their caring responsibilities, because they are very unlikely to be able to move straight into high levels of part time or full time work.

Dr Royston: One thing to say is that Universal Credit was intended specifically to get rid of the cliff edges that exist in the current benefit system. This is quite a severe one for those owner-occupiers in that situation.

Q371 Nigel Mills: Dr Royston, you have the pleasure of the last question. In your submission, you said you had some concerns about the way work allowances or disregards for housing costs will operate under Universal Credit. Could you just set out those concerns and how you think they could be solved?

Dr Royston: Yes. The way that the Government had originally proposed work allowances to work within Universal Credit was that you would have a maximum level of disregard if you had no housing costs whatsoever. For each pound of housing costs, that level of disregard would be reduced by £1.50, so you would get a reduction 1.5 times your level of housing costs from your level of work allowance. That would reduce down to what they call the minimum disregard floor, so if you went below that floor, you would get that minimum floor regardless.

It looks complex—I will admit that—but, from the claimant's perspective, this enabled them to always be better off claiming support with their housing costs, because they would not immediately move from a higher level of disregard to a much lower level of disregard if they claimed their housing costs, which could leave them worse off. The situation we have now, which the DWP has decided they will go ahead with under Universal Credit, is that if you claim support with housing costs, you will get one level of disregard. If you do not claim any support with housing costs, you will get a much higher level of disregard. This leaves people in a different situation, where they could be worse off actually claiming support with housing costs, if they have got low levels of housing costs.

In the submission I gave the example of the lone parent with two children, and eligible housing costs of £220 a month—quite a low level of housing cost. Under the original proposals, the maximum level of disregard would be reduced by £3,960 per year, giving them an actual disregard of about £4,800. Under the new proposals, because they have claimed help with housing costs, the level of their disregard would be reduced down to the minimum level for their household, which is about £3,150. If they did not claim any help with housing costs, they would receive their maximum disregard of £8,000 a year. If the lone parent is earning £8,800 or more per year, the difference between the minimum and the maximum disregard is worth £306 a month, which is greater than the value of the housing costs that they receive. In that case, they would be better off not claiming support with housing costs in order to get the higher level of disregard.

Most parents are not going to be aware of this and will just get a lower level of support as a result. It would be much simpler, although it looks like a more complex system, for the DWP to go back to their original proposal to make sure that people have a guaranteed safety net, so that, if they claim support with housing costs, they will be better off regardless.

Nigel Mills: Thank you.

Dr Royston: I can write some of that down.

Nigel Mills: That might be helpful.

Chair: I have had the advantage of seeing that written down once before, but I am still not sure. I think we understand the principle; it is just the calculations are beyond us. My colleagues do not have any more questions. Can I thank you very much for coming along this morning? Your evidence has been incredibly useful, and has pointed us certainly in a number of directions, some of which we have already heard, but some of it was new this morning as well, so thank you very much for your evidence.