

INCREASING THE AGE THRESHOLD FOR HOUSING BENEFIT SHARED ACCOMMODATION RATE TO 35 SUMMARY OF THE DWP EQUALITY IMPACT ASSESSMENT (EIA)

May 2011

BACKGROUND

The Comprehensive Spending Review in October 2010 outlined significant changes to housing benefit. These changes include resetting Local Housing Allowance (LHA) rates at the 30th percentile of local rents, reducing housing benefit to 90% after 12 months for claimants of Jobseekers' Allowance, and uprating LHA rates based on the Consumer Price Index (CPI). Some changes came into effect from April 2011 and others later on following passage of secondary legislation. Homeless Link submitted evidence to the Work and Pensions Committee inquiry in September. The submission outlined our concerns that the changes to housing benefit will impact on the most vulnerable people in society.

In December 2010 the Work and Pensions Committee published its report 'Changes to Housing Benefit'.¹ In March 2011 the Work and Pensions Committee received the Government's Response to the Report.² In May 2011 the Department for Work and Pensions has carried out an equality impact assessment (EIA) on the proposal to increase the age threshold to 35 for the Housing Benefit shared accommodation rate, assessing the proposal in line with the public sector equality duties.³

This document is a summary of this Equality Impact Assessment (EIA) on the Shared Accommodation Rate, as they relate to homeless and vulnerable people and homelessness services.

SUMMARY

The EIA outlines how the Department for Work and Pensions has paid due regard when developing new services or processes of protection against discrimination on the grounds of race, disability, gender, age, gender reassignment, marriage and civil partnership, sexual orientation, pregnancy and maternity, and religion or belief (the protected characteristics).

Gender

This policy is purposively aimed at younger claimants without children; most of those affected will be men. The rationale for intervention is primarily a cost saving measure but to also create a level playing field. Data from the 2008/09 Family Resources Survey

¹ See <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmworpen/469/469vw.pdf>

² See <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmworpen/845/84502.htm>

³ See <http://www.dwp.gov.uk/docs/eia-hb-shared-accommodation-age-threshold.pdf>

shows amongst all working age private renters, most single people without (dependent) children are men. Therefore, those affected will be reflective of all working age renters.

Disability

The current exemption for claimants entitled to the severe disability premium in Housing Benefit will continue to apply including people who live in certain types of supported accommodation will be exempt from the shared accommodation rate. The EIA estimates 4,000 people will be exempt on this basis. Childless LHA recipients who have disability elements in their Housing Benefit assessment or in an underlying claim for Income Support or Employment Support Allowance will be helped by the introduction of the room for non-resident carers for those who require overnight care that was introduced from April 2011.

Ethnicity

Figures on the ethnicity of those affected are not available, as local authorities are not required to gather this information. Figures from the Family Resource Survey 2008/09 shows that the 25-34 age group have similar characteristics to the under 25s, who are already subject to the shared accommodation rate.

Age

This policy is deliberately aimed at younger adults. Estimates from the Single Housing Benefit Extract, March 2010 shows that two thirds of those currently assessed at the shared rate are couples or are over 25, and that over one third of those who could potentially be affected by the policy are already living in shared accommodation. Based on the 2008/09 Family Resources Survey estimates show that around 40% of single, childless, non-student private renters aged 25-34 are in shared accommodation. This shows that sharing is prevalent for those in this age group and not on Housing Benefit.

Mitigation:

Various groups of tenants are exempt from the shared accommodation rate and these will continue to apply. These are:

- **Local Authority and Registered Housing Association tenants.** Social sector tenants normally have their rent met in full (less deductions for non-dependants and earnings) as rents are generally below market rates.
- **Tenants in certain supported accommodation.** This covers tenants who are in accommodation where the landlord is a county council, a housing association, voluntary organisation or registered charity and provides care, support or supervision. These cases are assessed under pre 1996 rules which recognise that their housing costs may be more expensive.
- **Claimants entitled to the severe disability premium.**
- **Claimants who have a non-dependant residing with them.**
- **Claimants under the age of 22 who were formerly in social services care.** This allows care leavers some leeway to become settled and establish links whereby they could share accommodation with others.

- **Claimants entitled to an additional bedroom to accommodate a non-resident carer because they require overnight care.**

CONCERNS

Discussions with stakeholders have raised concerns about people in vulnerable situations:

Particular concerns have been highlighted for:

- those who have been rough sleeping
- those with mental disabilities or illnesses but do not meet the disability premium requirements
- parents who share the care of their children but do not have main custody
- ex-offenders
- foster carers

The EIA outlines many individuals within these groups could reasonably share with others and therefore a blanket exemption is not necessary. The government do not consider it appropriate to make any further exemptions than are already in place but consider that Discretionary Housing Payments can best address the individual nature of such cases.

HOMELESS LINK'S CONCERNS

Homeless Link and our members have serious concerns about the extension of SRR to under-35 year olds. Given a widespread lack of available shared accommodation, this measure will have a major impact on the ability to move homeless people on to the PRS. This measure also risks further blocking up of hostels and other temporary/supported accommodation. We know that young people in receipt of SRR face many difficulties in securing and sustaining accommodation and are left with serious shortfalls, with a clear risk of arrears and homelessness. People with support needs may find sharing a tenancy with other people with support needs challenging and it could lead to more tenancy breakdown.

The EIA states that the increases to the Discretionary Housing Payment budget administered by local authorities to give additional support to claimants in need, would be sufficient to make up any shortfalls. However it is debatable whether the increase will be sufficient to meet the anticipated increased demand. Homeless Link has called for the **withdrawal of the proposals to extend the SRR to under-35 year olds and we would further like to see the SRR abolished.**

Keep updated with further work on the Welfare Reform Bill via Homeless Link's [policy round-up](#) on our [website](#) or contact our policy team for further information policy@homelesslink.org.uk