No Room for Manoeuvre: Local Housing Allowance for disabled people

In April 2008 the Westminster Government introduced a new way of calculating Housing Benefit for tenants in the private rented sector. Local Housing Allowance provides assistance with rent payments for people on low income based on their age, household size and the area in which they live. The new way of assessing eligibility was claimed to be simpler and more transparent.

However some disabled people tell us that their assessed needs for additional rooms are being ignored in the new assessment. Although their need for a room to house an overnight carer or specialist equipment may have been established and agreed by social services or the NHS, the assessment for local housing allowance does not recognise it.

The result is a shortfall between the amount of Local Housing Allowance some disabled tenants get and the rent they pay. Their only available option appears to be Discretionary Housing Payments but this only offers an insecure and short-term solution.

This report provides a summary of our research findings into this issue. It offers a ‘snap-shot’ of the current situation for disabled people in order to inform policy makers and signpost researchers to issues that require more in-depth study.

Key points

Disabled people value the choice and flexibility of a private let

Disabled people may need an additional room for a carer or to store equipment

Local Housing Allowance is not meeting the cost of this assessed housing need

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What is the issue?

One of the ideas behind the introduction of Local Housing Allowance was to simplify the rules and allow tenants more financial freedom and the opportunity to choose where to live. Over 850,000 people in the UK receive Local Housing Allowance. (Department for Work and Pensions, 2010)

However some disabled people told us that they were being disadvantaged because Local Housing Allowance does not take account of the fact that they need an additional room for a carer or to store specialist equipment. The solution offered to them is to use Discretionary Housing Payments; however this solution is insecure as payments are only awarded for short periods of time, then reassessed with no guarantee that they will continue.

The amount of Local Housing Allowance paid to tenants is based on the size, composition and location of the household; they can either rent a larger property or spend less on housing and increase their available income as they can keep up to £15 of any benefit in excess of rent. Local Housing Allowance rates are publicised in advance so customers know the maximum amount of benefit payable to them. Each of the following in a household will be assessed as needing a bedroom: adult couple; other adult aged 16 or over; any two children of the same sex up to the age of 16; any two children regardless of sex under the age of 10 and any other child.

Immediately therefore it is clear that this disadvantages disabled people who require 24 hour live in care, couples who need to sleep in separate rooms for health or disability related reasons, people who need to store specialist, bulky equipment and families with disabled children who need overnight care and have to share a bedroom with a sibling. However single disabled people under 25 years in receipt of Severe Disability Premium can qualify for a higher rate of Local Housing Allowance.

Case Study

On 10 September 2009 a lower tribunal, formerly the social security appeals tribunal, made a decision on a case specifically about this issue.

The tribunal held that the decision of Walsall Council to restrict payment of Local Housing Allowance to a one bedroom property for a disabled woman was in breach of the European Convention on Human Rights.

The woman needed a second bedroom for a team of 6 carers to sleep in on a rota basis and the tribunal declared that the council’s restriction “discriminates against her as a severely disabled person in need of constant care and supervision.”

The appeal decision unfortunately does not set a precedent for other similar cases at present. However, if Walsall council appeal and the case is heard by the upper tribunal the decision could then set a binding precedent.
The government contribution to local authorities in Scotland for Discretionary Housing Payment’s was £221,806 (2009/10) (Department for Work and Pensions, 2009). This however creates its own problems as local authorities only guarantee these for short periods of time, usually no longer than 6 months.

Statistics show that about 33% of households in Scotland contain at least one person with a long-standing illness, health problem or disability and although 71% of these households live in rented accommodation, only 19% are in the private rental sector. (Scottish Government, 2009) The inability of Local Housing Allowance to take account of some disabled people’s need for an additional room could be a contributing factor to this.

How did we research it?

In order to collect qualitative data about the extent of the use of Discretionary Housing Payments for individuals whose need for an additional room is ignored in the assessment, we contacted 8 local authorities.

We asked them whether the Local Housing Allowance assessment would take account of the need for an additional room for a family with a disabled child who had a lot of bulky specialist equipment.

We also asked if they were aware of situations where the need for an additional room was not taken into account, what they could suggest to overcome it, were Discretionary Housing Payments the only solution and the how long could Discretionary Housing Payments be guaranteed? We also asked Citizens Advice Scotland if they were aware of this issue.
Key findings

The 8 local authorities we contacted were Edinburgh, Glasgow, Angus, Dundee, West Lothian, West Dunbartonshire, Stirling and Aberdeen. Staff in half the authorities said they, or a colleague, knew of cases where disabled people’s need for an additional room was ignored in the Local Housing Allowance assessment.

Seven authorities suggested the only solution was to use Discretionary Housing Payments to make up the shortfall; however one authority, West Lothian, said clients were unlikely to be awarded the payments in these circumstances.

All authorities were clear that Discretionary Housing Payments were not guaranteed and the award period varied between 6 and 12 months (if circumstances remained the same). Some were not able to tell us how long the award period would actually be. Two local authorities, Dundee and Aberdeen, suggested applying for a reduction in council tax banding because the room was reserved for a disabled person. West Lothian suggested that clients try to find a property at a lower rent or don’t move.

Citizens Advice Scotland said local Citizen Advice Bureau’s had come across this problem.

Conclusion

Even though disabled households are more likely to live in rented accommodation than non-disabled households, some are not being given the same choice of where to live. One aim of Local Housing Allowance was to offer choice to tenants but it has actually resulted in restricting choice for some.

The shortage of accessible social lets, the barriers disabled people face entering home ownership, and the need for housing near networks of support combine to make the private rented sector attractive to disabled people, but only if sufficient assistance with rent is available.

However where the Local Housing Allowance would be insufficient to pay for an additional room assessed as being required, disabled people can put off from moving out of the family home, or residential care.

Where benefit cannot cover the cost of a separate room for young disabled children needing care or supervision throughout the night, or space to store specialist, often bulky equipment, the cramped conditions and disturbed sleep for siblings that result serve to exacerbate the stresses already faced by families of disabled children.

At present the only solution available to local authorities to address this issue, that has up until now been ignored by the UK government, is to use Discretionary Housing Payments.

However we believe that the discretionary aspect to these payments and the inconsistency of provision makes them inappropriate to cover housing costs that relate to assessed needs. They are a short term, insecure solution which can actually create vulnerability for disabled people.

Further Information

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