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# Welsh Women's Aid Briefing August 2016 **Benefit Changes: Impact on Refuge and Service Users**

The UK Government has introduced a number of welfare and benefit changes in recent years as well as planning further changes in the coming year or so. This briefing outlines the impact that these changes may have for the violence against women sector, in particular the impact on refuge services and survivors.

## 1. Housing Benefit: Local Housing Allowance

## 1.1 Local Housing Allowance

The UK Government announced in autumn 2015 that housing benefits paid for social housing would be capped at the Local Housing Allowance. The Local Housing Allowance is a method to work out how much housing benefit an individual can claim to help pay rent if they have a private landlord - this is usually based on where you live, your household size, your income and your circumstances. There are concerns about how this will impact supported accommodation, including refuge.

Welsh Women's Aid have spoken to our member services about the potential impact of housing benefit being capped at Local Housing Allowance levels. 71% of those who answered said they would be forced to close. Overall, the survey revealed that housing benefit provides, on average, 91% of weekly housing costs and 55% of total yearly income. If the cap goes ahead, the average refuge in this survey faces a shortfall of 67% in their weekly income - which can mean losing hundreds, if not thousands, of pounds.

"We will not be able to provide any of the additional added value services such as bedding, laundry facilities, cleaning of communal areas, replacing furniture, decorating, providing toilet roll and all of those little basic things that make a huge difference. We will not be able to fund a refuge manager and will not have night workers in post to provide additional security."

Specialist service

For those services that might not close, there would still be drastic and unprecedented changes and of those who responded to our survey, no service would be able to continue with their current level of provision.

"This would be a complete disaster. We are barely breaking even across all our refuge sites with higher costs being charged by building owners/housing associations...we would literally have to close refuges."

Specialist service

A cap to housing benefit for supported housing would mean that refuge services are forced to subsidise costs for houses, rent, utilities, upkeep, furniture or staff costs from grant money used to provide community and outreach support, or risk losing refuge provision altogether. It could mean job losses and a reduction in the hours being covered in refuge, at a time when the needs of

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women entering refuge are becoming more complex and require staff in refuges for longer periods of time, including evenings and weekends.

Other predicted consequences include:

- An increase in referrals to community outreach support and advocacy services because many women would not be able to afford to meet the shortfall in rent. This would stretch community resources and present women with a stark choice of continuing to live with the abuser or face destitution.
- Services being unable to provide out of hours staff, including evening, nights and weekends, potentially increasing barriers to accessing refuge support services for women with complex needs.
- Refuges being forced to close if refuges close more women and children will die.

One service commented that a cap would equate to a "total loss to the organization of £414,752, equivalent to 19% of turnover or 69% of rental income (based on one bedroom rate). Refuges could become unviable as there would be no funds to maintain the building and replace furnishings, and a loss of staff funding for housing management, health and safety, and finance."

The UK Government announced in March 2016 that there will be a one year freeze on this cap being introduced for supported accommodation, until a review has been conducted.

This review is not looking at the Local Housing Allowance itself, but is exploring the size and scale of supported accommodation in the UK. It is anticipated that the results of the review will be published in the autumn of 2016. After this, the UK Government will look again at whether the Local Housing Allowance cap will be applied to housing benefit payments for supported accommodation.

Cited in The Guardian, "the Department for Work and Pensions said a deferral to the reforms until 2018 would give women's refuges a period of grace while officials conduct a review into funding for the supported housing sector."1

Most recently, a DWP spokesman said: "We fully support the valuable work carried out by domestic abuse refuges and other supported accommodation providers. That is why we deferred this measure for this sector while we conduct a review to ensure it is sustainable in the long term. We will continue working with providers to ensure the right protections are in place and will set out our plans in the autumn."2

Welsh Women's Aid will be campaigning to raise awareness about the impact of a cap to housing benefit levels, including the publication of our State of the Sector 2016 report. We will also include information about the potential impact in upcoming consultation responses, in order to influence relevant policy.

### 1.2 Impact of cap on Move on

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<sup>&</sup>lt;sup>1</sup> https://www.theguardian.com/society/2016/sep/05/womens-refuges-housing-benefit-cap-domesticviolence

<sup>&</sup>lt;sup>2</sup> https://www.theguardian.com/society/2016/sep/05/womens-refuges-housing-benefit-cap-domesticviolence



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The Local Housing Allowance cap currently does apply to those who are moving on from refuge. The cap means that single people under 35 (who have no children) who have started a contract for social housing from April 2016 onwards, are only paid at a rate which is restricted to shared accommodation rates for those who rent via the private sector. The UK Government has said that this is to "prevent social landlords from charging inflated rent for their properties".

Survivors are struggling in some places to find tenancies they can afford post refuge support which can lead to survivors having longer stays in refuge, essentially bed blocking spaces. In 2015-16 alone, 370 survivors<sup>3</sup> were turned away from refuge due to there being no space when they needed help, demonstrating that there is not enough refuge space available to meet demand when needed and bed blocking will only exacerbate this.

## 1.3 1% Rent Cut

The UK Government announced a 1% rent cut for social and affordable housing in England. This will not apply to Wales as the Welsh Government have decided against such a move. Refuge and other supported accommodation in Wales are therefore unaffected for now.

#### 2. Universal Credit

### 2.1 Universal Credit

Universal credit replaces the six existing benefits, including Job Seeker's Allowance, Housing Benefit and Child Tax Credits (a two-child minimum on Child Tax Credits has also been proposed, with an exception for children that are born as a result of rape). Benefits to subsidise rent will no longer be paid directly to landlords, but to claimants who will then be responsible to pay their rent. Universal credit for single claimants has now been rolled out in all Job Centres across Wales. The next stage is to roll out Universal Credit for joint claimants, which is due to start in Wales in early 2017.

Joint claimants will receive one single payment which is paid into the account of one claimant on behalf of the whole household. Welsh Women's Aid, along with many other agencies have expressed our concerns about a single payment to joint claimants, as this is likely to increase opportunities for financial abuse and coercive and controlling behaviour for many who are living in abusive households. An Alternative Payment Arrangement has been outlined by the UK Government as an option for those who are in an abusive relationship and will receive joint universal credit payments. The Alternative Payment Arrangement will allow a spilt payment between partners. However, Welsh Women's Aid (and other organisations) do not consider this to be an adequate safeguard. For the arrangement to be considered, a Universal Credit Coach at the Job Centre would need to receive disclosure of the abuse. This in itself can be a barrier, as is the potential for the perpetrator of abuse finding out that a disclosure has been made and the increased risk of an escalation of abuse.

A coalition of charities in Scotland have produced a <u>research paper</u> which outlines why payments under Universal Credit should be automatically split.

### 2.2 Child tax credits

<sup>3</sup> Welsh Women's Aid Summary of 2015-16 Data from Specialist Services in Wales

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The reduction in child tax credits to the first 2 children is likely to lead to an increase in child poverty and discriminating against those in larger families. This policy also does not recognise the role of coercive control within violence against women, nor therefore the context of a woman's choice over the numbers of pregnancies and children she has.

The proposed rape clause, which suggests that if the mother discloses that the third child was a result of rape, will enable child tax credit to be paid to cover the additional child. A woman whose third child is conceived after rape will have to offer proof of the crime in order to qualify for an exemption. This proposed clause is unworkable, women are unlikely to want to disclose rape to government official and the burden of proof will be untenable.

#### 3. No Recourse to Public Funds

No Recourse to Public Funds' (NRPF) is a condition imposed by the Border and Immigration Agency on a person who is subject to immigration control; and has no entitlement to welfare benefits, public housing or Home Office asylum support; and does not have the right to work (with exception of individuals granted leave as spouse or civil partners who are permitted to take up employment).

Survivors of abuse with NRPF can be particularly vulnerable because they do not have access to housing benefit. As such, if they are fleeing violence and are in need of safety in refuge, the refuge service would have to subsidise the cost of their stay or turn them away, potentially forcing them to return to an abusive relationship.

We will be campaigning on the issue of NRPF for survivors of abuse, including issues for survivors who are also EEA (European Economic Area) nationals, throughout 2016-17. Please keep an eye on our updates for more information.

Welsh Women's Aid will continue to monitor the impact of these benefit changes on survivors, children and young people, families and specialist services in Wales. If you have any feedback for us about this legislation and its affects, or if you have any comments or questions about this briefing, please don't hesitate to get in touch with:

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