Factsheet for landlords and advisors

Changes to Housing Benefit in the social rented sector

From 1 April 2013 there will be changes in the way Housing Benefit is calculated for claimants living in accommodation rented to them by a registered housing association or other registered provider of social housing. It also applies to local authorities, which still have their own stock. This does not apply in Merton.

This means there will be restrictions on the size of property Housing Benefit will pay for, based on who lives in the property. If someone is assessed as having more bedrooms in their accommodation that is necessary according to the new rules, they will be considered to be under-occupying that property and a percentage reduction will be applied to their eligible rent and service charges.

How will this be worked out?

The new rules will allow one bedroom for:
- every adult couple (married or unmarried)
- any other adult aged 16 or over
- any two children of the same sex aged under 16
- any two children aged under 10
- any other child (other than a foster child or child whose main home is elsewhere)
- a carer (or team of carers) who do not live with the claimant but provide them or their partner with overnight care
- a non dependant
- a sub tenant or boarder

If you want to check how many bedrooms you are entitled use an Internet search engine and type under occupation bedroom calculator or bedroom tax calculator. Please bear in mind that when using online calculators do not include foster children and if your child is severely disabled and cannot share a bedroom the result may be wrong. If in doubt, check with us.

What does this mean for people who claim Housing Benefit for the first time after April 2013?

Anyone who claims Housing Benefit for the first time on or after 1 April 2013 will only be entitled to Housing Benefit that covers the size of property calculated as appropriate for the size of their household using the above rules, unless they are exempt.
Example of bedroom entitlement under the new rules
Stuart and Isabel have three children, Jenny who is 12, Max who is nine and Alice who is six.

Under the size criteria rules Stuart and Isabel would be entitled to Housing Benefit for three-bedroom accommodation.

One bedroom for themselves, one for Jenny and Alice and one for Max. So if they live in a three-bedroom tenancy, they will not be under occupying.

How does this affect their Housing Benefit?
For those people who currently claim Housing Benefit, we will compare how many bedrooms were allocated at the time the tenancy was granted, with the number of people in the household living there. They will then use the above rules to assess whether they are under-occupying their accommodation from 1 April 2013.

If someone is considered to be under-occupying their accommodation there will be a reduction in the amount allowed for rent and any eligible service charges of:
- 14% if they are considered to have one extra bedroom
- 25% if they have two or more extra bedrooms

Example – Under occupied by one bedroom
Prima and Rajesh have two children, Priya who is 8 and Krish who is 6.

They live in a three-bedroom apartment and currently receive £85 Housing Benefit a week to cover the full rent.

Under the new size limit rules they would only be entitled to Housing Benefit for two bedroom accommodation, one bedroom for themselves and one for Priya and Krish who would be expected to share a room because they are both under ten.

We would consider Prima and Rajesh to be under-occupying their current accommodation by one room and would apply a 14% reduction.

Prima and Rajesh would now receive £73.10 Housing Benefit per week.

Example- Not under occupied
Sonia is a single parent with two children, Rachel who is 11 and Peter who is 9

She lives in a three bedroom flat and currently receives £100 Housing Benefit a week to cover the full rent.

Under the size criteria rules Sonia would be entitled to Housing Benefit for a three-bedroom house. As Rachel is over ten, she and Peter would not be expected to share a room, because they are not the same sex. Sonia would therefore not see any reduction in her Housing Benefit.
The size limit rules will take into account everyone living in the property when calculating how many bedrooms Housing Benefit should be paid for. This includes all joint tenants, their family and any non dependants. This is why we have asked for the number of bedrooms allocated for the whole tenancy. If it is decided that the accommodation is under-occupied, a percentage reduction will be taken off the whole rent for the household. Housing Benefit will be paid on the basis of the proportion of the rent the claimant is liable to pay.

### Limited protection from under occupation rules

There are two limited periods of protection from the under occupation rules of:
- 13 weeks if the claimant has not claimed Housing Benefit in the past 52 weeks and could afford the rent previously
- 12 months if there was a death in the household

For 12-month protection, the eligible rent will be based on the actual rent less ineligible services or the previous eligible rent if that was restricted.

### Example of limited protection of 13 weeks

Ella is a lone parent with one child Laura aged 12. Her other child Peter aged 18 has left home. She lives in a three bedroom flat. She could afford the rent of £170 a week, which includes an ineligible service of £5 a week when she was granted the tenancy. Ella has never claimed Housing Benefit before. She is then made redundant. She claims both Jobseekers Allowance and Housing Benefit on 8 April 2013.

Under the size criteria rules, she is under-occupied by one bedroom. The eligible rent would have been reduced by 14% (£165 x 14% = £23.10). However, she gets 13 weeks protection from the restriction of her eligible rent until 7 July 2013. Her Housing Benefit is £165 per week for that period. Then it reduces to £141.90 a week. During the period of limited protection she will need to consider her housing options, otherwise she will need to make up the shortfall of £28.10.
There are certain circumstances where the size limit rules will not be applied.

**State Pension credit age** – The size limit rules will only apply to claimants of working age. Any claimant over state pension credit age or with a partner over state pension credit age will be exempt from the size limit rules from 1 April 2013.

**Non-Mainstream accommodation** – These are site or pitch fee charges for caravans, mobile or static homes as well as various “excluded tenancies” within schedule 2 to the Housing Benefit Regulations, such as regulated tenancies. This would include those tenancies where the Rent Officer sets the rent under the Rent Act 1977. Merton has a few caravan site/pitch fees.

**Temporary accommodation** – Any claimant who is accepted as homeless under Homelessness legislation of the Housing Act 1996 and placed in temporary accommodation by us, the local authority, as described in regulation A13(3), because they are homeless or to prevent homelessness.

**Exempt accommodation** – The size limit rules will not be applied to those in supported ‘exempt’ accommodation. This is a particular type of supported accommodation defined for Housing Benefit purposes as accommodation provided by a non-metropolitan county council in England, a housing association, a registered charity or voluntary organisation where that body or a person acting on its behalf also provides the claimant with care, support or supervision. This includes hostels, resettlement places, sheltered homes and certain other support schemes.

**Is there a Shared Accommodation Rate or four-bedroom limit from 1 April 2013?**

No and no. There is no shared accommodation rate in the social rented sector. A person living on their own will require one bedroom, whether the property is self contained or not regardless of their age. There is no four-bedroom maximum either. Shared Accommodation Rate and four-bedroom maximum only applies to Local Housing Allowance in the private rented sector.

**How will existing claimants be contacted?**

We, the local authority will assess who could be under-occupying their accommodation in Autumn/Winter 2012 prior to April 2013. If someone is identified as under-occupying we will let you the social landlord know first. Then we will write to the potentially affected claimants to pre warn them and to highlight what housing options they have. We will also give them the opportunity to confirm if we hold the correct information. The number of bedrooms will be based on bedroom data supplied by social landlords in late Summer 2012. This is compared to the records we have of the household make up. If they have changes to their household they must let us know in writing, so that we have accurate information.

We will contact claimants in plenty of time before the implementation of the size limit rules to allow time for people to look at their choices. It is important that as soon as a claimant receives notification they start to consider their options and seek appropriate advice. This will probably include you.
What Housing Options do affected claimants have?

If a claimant is assessed as under-occupying their accommodation and experience a reduction in Housing Benefit post 1 April 2013, there are a number of courses of action open to them. They may wish to find more appropriately sized accommodation or stay where they are and make up the shortfall in rent themselves.

**Move** – Someone may decide that it would be sensible to move to appropriately sized accommodation in the social rented sector. You, the social landlord will be able to talk this through with them and advise them as to whether this is a viable option.

They may decide that moving to the private rented sector would be appropriate. Again their landlord or our Housing Options team will be able to advise them about this.

It may be possible to claim a Discretionary Housing Payment for help with moving costs.

**Ask non dependants to contribute** – If someone decides to stay in their current accommodation and make up the shortfall in rent themselves they may wish to ask other non dependants living with them to contribute to the additional rent.

**Take in a lodger (sub tenant or boarder)** – You may wish to take in a lodger to fill the extra room you have. You should check if this is allowed by your landlord. If you do this, the lodger would be assessed as part of the household meaning you would not necessarily be considered to be under-occupying and you may have more income from their rent. See our Factsheet Renting out your spare room.

**Increase hours of work** – If you are in employment you may consider increasing your working hours to make up the shortfall in rent. See Factsheet The effect of additional income on your Housing Benefit

**Take a job** – If you are not currently in employment, finding a job could help you pay the additional rent. See Factsheet The effect of additional income on your Housing Benefit

**Apply for a DHP** – In certain circumstances you may be entitled to a Discretionary Housing Payment. If we consider you are in real need of additional help with housing costs. See Factsheet Claiming Discretionary Housing Payments for more details on this.

All the above factsheets are more can be downloaded and printed from links at [www.merton.gov.uk/benefits/hb-ctb](http://www.merton.gov.uk/benefits/hb-ctb)
Other support and advice

Encourage claimants to talk to their social landlord in the first instance. They should be able to advise on the prospects for changing accommodation. If a claimant decides to stay in their current accommodation they will be able to discuss with their social landlord how they will pay the additional rent. For example they will need to adjust any standing orders or payments made in cash from 1 April 2013.

Signpost tenants to our Housing Options Team if the claimant has not already spoken to them.

Our Welfare Benefits Team may be able to help them maximise their benefits.

Tell claimants about other advice organisations and debt counselling help where appropriate.

Useful contacts

Merton Benefits Service
To get advice on Housing Benefit and claiming Discretionary Housing Payments:
- Email Housing.Benefits@merton.gov.uk
- Phone 020 8274 4903
- Visit us in person at the ground floor Civic Centre, London Road, Morden, SM4 5DX
- View our website www.merton.gov.uk/benefits/hb-ctb or www.merton.gov.uk/dhp

Merton Housing Options
- Phone 020 8545 3636 to discuss your housing options, or
- Email them at housingadvice@merton.gov.uk

Shelter
Shelter offers face-to-face, phone, email and online advice about any housing problems (not just homelessness).
- Visit their website at www.shelter.org.uk, or
- Phone 0808 800 4444 (calls are free from UK landlines and main mobile networks).

Merton Citizens Advice Bureau
Merton CAB offers free, confidential advice face-to-face or by phone. Most CABs also offer home visits, and some give email advice.
- Visit their website at www.mertoncab.org.uk or,
- Phone 08444 243 8430
- Email advice@mertoncab.org.uk

National Debt line
National Debt line is a free, confidential service offering independent advice about dealing with debt. You can get information:
- Online at www.nationaldebtline.co.uk or
- Phone the free helpline number 0808 808 4000

Welfare Benefits Team
- Phone 020 8545 4178 to discuss maximising benefits, or
- Email them at welfarebenefitsteam@merton.gov.uk

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