

## Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

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# HB/CTB A4/2012

### ADJUDICATION AND OPERATIONS CIRCULAR

<b>WHO SHOULD READ</b>	All Housing Benefit (HB) and Council Tax Benefit (CTB) staff
<b>ACTION</b>	For information
<b>SUBJECT</b>	Housing Benefit size criteria restrictions for working age claimants in the social rented sector from 1 April 2013

### Guidance Manual

The information in this circular does affect the content of the HB/CTB Guidance Manual. Please annotate this circular number against *section A5*.

### Queries

If you

- want **extra copies of this circular/copies of previous circulars**, they can be found on the website at <http://www.dwp.gov.uk/local-authority-staff/housing-benefit/user-communications/hbctb-circulars/>
- have any queries about the
  - **technical content of this circular**, contact Katie Wotherspoon  
Email: [housing.benefitenquiries@dwp.gsi.gov.uk](mailto:housing.benefitenquiries@dwp.gsi.gov.uk)
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**HOUSING BENEFIT SIZE CRITERIA RESTRICTIONS FOR WORKING AGE CLAIMANTS IN THE SOCIAL RENTED SECTOR FROM 1 APRIL 2013**

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## Introduction

1. This circular contains details of the provisions contained in The Housing Benefit (Amendment) Regulations 2012 that were laid before Parliament on 28 June 2012.
2. This instrument introduces size criteria into Housing Benefit for those in the social rented sector (SRS), which is accommodation let by a local authority, registered housing association or other registered provider. The size criteria will be used to decide the extent to which the claimant under-occupies their home so that an appropriate percentage reduction can be made through Housing Benefit.
3. The draft Regulations can be viewed free of charge via the website of the Office of Public Information\*. The explanatory memorandum that is published with the Regulations can also be viewed on the Office of Public Information website\*.

## Coming into force

4. Subject to parliamentary approval, the provisions relating to the social rented sector in the Housing Benefit (Amendment) Regulations 2012 will come into force on 1 April 2013. They amend the Housing Benefit Regulations 2006 and the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations.
5. Powers to introduce this measure are in section 69 of the Welfare Reform Act 2012 that received Royal Assent on 8 March 2012.

## Background

6. The Chancellor announced the Government's plans to restrict Housing Benefit for under-occupying, working age\* social sector tenants\* in the June 2010 Emergency Budget. From April 2013 local housing allowance size criteria for private rented sector (PRS) will be applied to the social rented sector (SRS) for all those of working age. Those found to have more bedrooms than they are entitled to under the size criteria rules (under-occupying), will have a percentage deduction applied to their eligible rent.

## Summary of the changes

7. There has previously been little restriction on the size of property Housing Benefit will cover in the SRS. This statutory instrument introduces restrictions to the amount of Housing Benefit payable for working age SRS

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\* <http://www.legislation.gov.uk/ukdsi/2012/9780111525784/contents>

\* [http://www.legislation.gov.uk/ukdsi/2012/9780111525784/pdfs/ukdsiem\\_9780111525784\\_en.pdf](http://www.legislation.gov.uk/ukdsi/2012/9780111525784/pdfs/ukdsiem_9780111525784_en.pdf)

\* Working age includes anyone who is under the State Pension Credit age of the time. State Pension age can be calculated using the State Pension age calculator on Directgov - <http://pensions-service.direct.gov.uk/en/state-pension-age-calculator/home.asp>

\* A claimant is in the social rented sector if they are the tenant of the local authority, a registered provider of social housing, a registered housing association, or other registered social landlord.

claimants who are under-occupying their properties. Claimants receiving housing benefit for SRS housing will have the amount they can receive restricted based on the number of bedrooms their household requires measured against the same size criteria already used in LHA:

One bedroom for each of the following:

- a couple
- a person who is not a child (aged 16 and over)
- two children of the same sex
- two children who are under 10
- any other child, (other than a foster child or child whose main home is elsewhere).
- a carer (or group of carers) providing overnight care

8. No other PRS rules are being applied to tenants in the SRS such as the maximum of four bedrooms and shared accommodation rate.
9. Due to a Court of Appeal judgment in the cases of Burnip, Trengove and Gorry those whose children are said to be unable to share a bedroom because of severe disabilities will be able to claim Housing Benefit for an extra room from the date of the judgment, 15 May 2012. However it will remain for local authorities to assess the individual circumstances of the claimant and their family and decide whether their disabilities are genuinely such that it is inappropriate for the children to be expected to share a room. This will involve considering not only the nature and severity of the disability but also the nature and frequency of care required during the night, and the extent and regularity of the disturbance to the sleep of the child who would normally be required to share the bedroom. This will come down to a matter of judgment on the facts.

### **Rates of reduction**

10. Those that are considered to be under-occupying their accommodation will see a reduction in their housing benefit calculated by a reduction of:
  - 14% of the total eligible rent for under-occupation by one bedroom; and
  - 25% of the total eligible rent for under-occupation by two bedrooms or more.

This change will come into force for all existing and new claimants to Housing Benefit from 1 April 2013. There are no exceptions apart from those listed in paras 46-50.

11. Examples to show how the percentage reductions should be applied are at Annex B.

### **Bedroom size**

12. We will not be defining what we mean by a bedroom in legislation and there is no definition of a minimum bedroom size set out in regulations. It will be up to the landlord to accurately describe the property in line with the actual rent charged.

## The Regulations

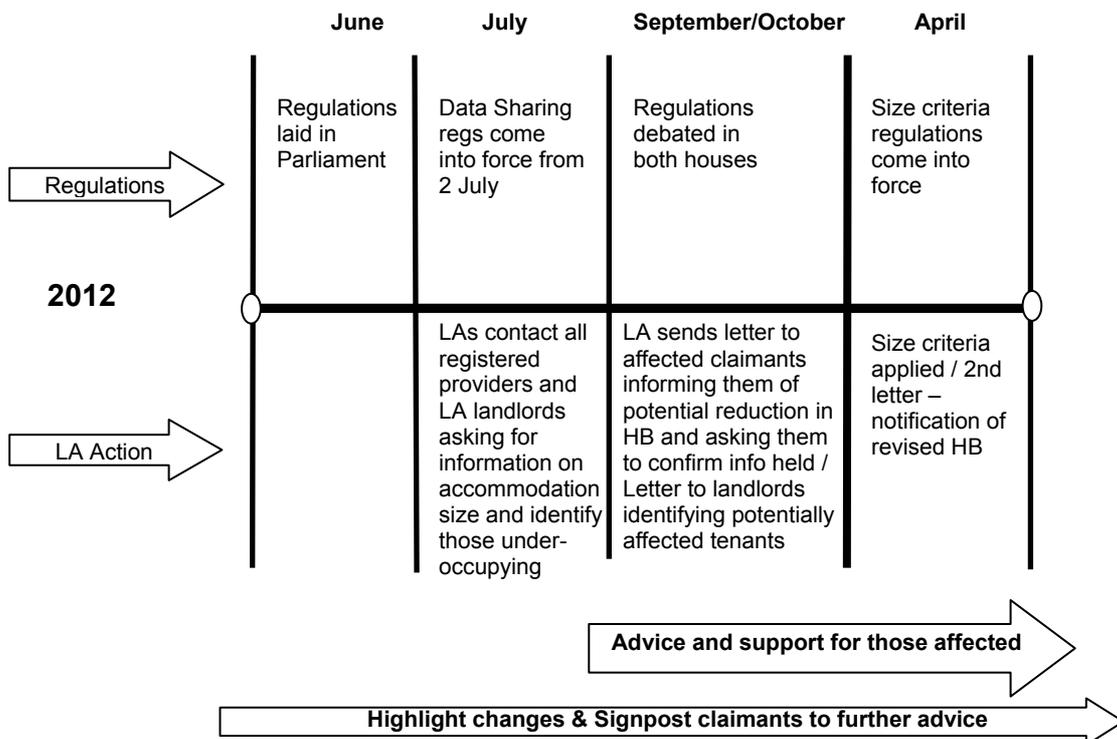
13. There is a detailed description of the regulations at Annex A.

## Data sharing

14. **Social Security (Information-sharing in relation to Welfare Services etc.) Regulations 2012** – consequential amendments have been made to the data sharing regulations that allow for information to be shared between the local authority and registered landlords for the purposes of identifying claimants who may be under-occupying and informing those who are likely to be affected. These were laid in Parliament on 11 June 2012 and are intended to come into force on 2 July 2012.

## Necessary action

15. The table below sets out the key implementation activities local authorities will need to undertake before April 2013 alongside the passage of the regulations.



16. As the changes take effect from the same date (1 April 2013) for all existing claims you will need to identify which households are likely to be affected by this change well before then to build in time for reassessment. Whether or not someone is affected by these new rules can be established by comparing the number of bedrooms in the claimant's accommodation with the information you hold on the membership of that household.

## Gather information

17. It is likely that the easiest and most cost effective way to gather the required information on the number of bedrooms in a property will be to work with the registered landlords in your local authority area to gather this information, rather than writing directly to tenants. The new data sharing powers allow you to do this. You will also need to collect the same information on local authority housing stock in your area. You will be best placed to decide in what format this information should be collected.
18. The Chartered Institute of Housing has published guidance specifically aimed at landlords to help them with implementation of the size criteria rules. This is available on the CIH website\*. Some landlords have already begun to gather the relevant information on accommodation size and may have contacted you about it. It will be important to set up good working arrangements with housing associations and registered landlords to enable you to coordinate any general activities such as communications.
19. There will be claimants affected by this measure who live in significantly adapted accommodation due to someone in the household having a disability. It will not always be practical or cost effective for these people to move to different accommodation or they may have no other option for making up the shortfall in rent. An extra £25 million has been added to the Discretionary Housing Payment (DHP) fund specifically for these circumstances. When gathering information from landlords on the size of accommodation, you should ask about any adapted accommodation as well as collecting the same information about local authority let accommodation. This will help you prepare for future claims for DHPs. *Please see section on DHPs at paragraphs 51-59.*
20. There is no obligation on landlords to reply to a request for information. However it is in their interests to work with local authorities so that they know which of their tenants will be affected. In some circumstances it may be necessary to contact a claimant directly for information about the number of bedrooms in their property. And for new claims from 1 April 2013 we would normally expect claimants to provide the information about property size on their claim form.
21. If a claimant does not reply to a request for information the local authority has the power to suspend their housing benefit under normal decision making rules.

Notify claimant and landlord

22. Once those claimants that are potentially under-occupying have been identified, you will need to write out to them to tell them about the changes and that the information you have indicates that they are likely to be affected. You will also need to ask them to confirm the information you

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\* [http://www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/New\\_CIH\\_guide\\_helps\\_landlords\\_prepare\\_for\\_social\\_sector\\_size\\_criteria](http://www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/New_CIH_guide_helps_landlords_prepare_for_social_sector_size_criteria)

hold is correct. *See draft information confirmation letter at Annex C.* You may wish to do this as a direct mail shot from your software provider.

23. There will be some passported cases where the information held may not be up to date. This first write out should rectify this as the claimant will be asked to confirm the information held.
24. When you write to claimants you will also need to write to landlords informing them which of their tenants are likely to be assessed as under-occupying their accommodation. This will enable them to provide help and advice to their tenant on the options open to them. You may not wish to write individual letters to registered landlords about each tenant affected, you might therefore, consider other more time effective ways of sharing this information with them. As well as telling landlords of those that are affected it would be useful to advise which percentage reduction rate will apply so that they can concentrate their resources if necessary on those most affected.
25. Once you have written to claimants informing them of potential changes to their Housing Benefit and confirming the information you hold for them, as in paragraph 22, it will then be necessary to write again to confirm change to their benefit. As an award notice cannot be sent before the legislation comes in to force, you may wish to combine this notification with the annual review letter in April to avoid multiple communications. *There is a draft change of award letter in the toolkit at Annex C.*
26. There will also be a need to identify if there are any claimants who would be deemed to be under-occupying but would have their level of housing benefit protected for 12 months under regulation 12BA(3), protection on death or 13 weeks under regulation 12BA(6), *there is a detailed description of the regulations in Annex A.* These claimants may need a slightly different letter. As a death in the family needs to be notified as a change of circumstances you may wish to do a trawl of all those claiming housing benefit within the previous 12 weeks to this measure coming into force, to identify these claimants.

### **Impact on local authority**

27. It is likely that local authorities will need to start collating information about the size of households and the number of bedrooms in a property before any updates to IT they have decided to make, comes on line. It would also be advisable for you to start writing out to those claimants who are identified as potentially affected and their landlords before the IT is available. This will mean that the first stages of applying the size criteria may be labour intensive with clerical work needing to be carried out.
28. It is likely that once local authorities start to contact landlords and claimants there will be an increase in enquiries. You will need to consider in advance how you might handle increased enquires and whether you need extra resources or can handle them by reprioritising existing work.

## Claimant journey

29. As set out above, it is advisable to only directly contact those claimants identified as potentially under-occupying their property. This will help avoid over complication, unnecessary contact and undue worry for claimants.
30. It is important that claimants are made aware of the introduction of size criteria into the SRS as early as possible. The Department has produced draft letters, fact sheets, FAQs and posters to be used as you see fit or as templates for your own communications. These can be found in the toolkit at annex C.
31. The draft letters contain the information you must tell affected claimants. This includes explaining how the size criteria works, what the potential percentage reductions are and asking for confirmation of the information you hold about the size of accommodation and the make up of the household.
32. We would suggest that the first direct contact to a claimant who is identified as under-occupying would be a letter setting out what this means for them and asking them to confirm the information held about the make up of their household and the size of the house.
33. There may be some claimants who you identify as under-occupying their accommodation who may also be affected by the benefit cap. We do not expect these numbers to be high and it is most likely to be claimants with large families. You may wish to identify these claimants and coordinate your communications to them.
34. As in paragraph 24 we recommend that you alert landlords to any of their tenants who may be affected by this measure. Many social landlords will want to contact their tenants setting out the support they can offer and help available to tenants.
35. Once a claimant's under-occupancy has been confirmed they should receive a change of award letter from the local authority explaining exactly what this will mean in financial terms. This cannot be done until the regulations come into force.

## Non-standard cases

### Foster carers

36. As with claims in the PRS, when calculating how many bedrooms a family unit requires, a room for a foster child will not be included. Therefore, a household that has an extra room for a current or potential foster child will be treated as under-occupying.
37. It is however, important that this measure does not discouraged people from being foster carers. An extra £5 million has been made available to the DHP fund to assist foster carers (including those between placements) who find themselves with a reduction in their housing benefit due to under-occupation. *Please see section on DHPs at paragraphs 51-59.*

38. A foster child who remains with their foster carer after the age of 18 will then be treated as a non-dependant and be included in any room calculation.

### **Joint tenants**

39. Whether or not a claimant is under-occupying will be determined in exactly the same way for a joint tenancy as any other.

40. You will need to determine the exact make up of the household as a whole of which the joint tenant forms a part. All occupants will be taken into account for the purposes of establishing under-occupation.

41. Once the makeup of the entire household has been established the normal formula for deciding the appropriate number of bedrooms will be applied. At this point no account should be taken of how the joint tenants and their households divide the rooms up among themselves.

42. If under-occupancy is established the standard 14% or 25% reduction will be applied to the whole eligible rent which will then be apportioned between the joint tenants. This may take account of how they divide the rent between them where appropriate. *Examples 3, 4 and 5 in Annex B illustrate this more fully.*

43. The introduction of the size criteria rules in the SRS will mean that claimants who live in a joint tenancy will not only have to inform the local authority of any change in the members and composition of their own household but also changes to that of their joint tenant, where there was not previously a need to do so.

### **Boarders and lodgers**

44. When assessing the make up of the household for the purposes of determining how many rooms are required, any boarder or lodger will be taken into account. Therefore in a three bedroom house with a couple, their child and a lodger, the claimant would not be considered to be under-occupying and there would be no reduction in Housing Benefit due to under-occupancy.

### **Shared care**

45. Where parents who don't live together have shared care of their children the children are only treated as living with the parent that is treated as responsible for them and provides their main home. For a person to be treated as responsible for a child or young person, the child or young person must normally be living with that person. If a child or young person spends equal amounts of time in different households, or there is a question as to whom they normally live with, they will be treated as living with the person who is receiving child benefit for them. This is consistent with those living in the private rented sector.

## **Cases not subject to a restriction**

### **Shared Ownership**

46. The size criteria rules will not apply to shared ownership cases. This is where the claimant part owns the property under a shared ownership lease, usually with a housing association. The claimant may well have a mortgage on their share of the property while renting the rest.

### **Pension Age**

47. The size criteria rules will only apply to claimants of working age. Any claimant over the qualifying age for state pension credit or with a partner over that age will be exempt from the size criteria rules from April 2013.

### **Non-mainstream accommodation**

48. These rent liabilities include mooring charges for house boats and site charges for caravans and mobile homes as well as various "excluded tenancies", that are not with a "registered housing association", within schedule 2 to the Housing Benefit Regulations, such as PRS regulated tenancies.

### **Temporary accommodation**

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

### **Supported 'exempt' accommodation\***

50. The size criteria 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 as set out in paragraph 4 of Schedule 3 to the Consequential Provisions Regulations 2006.

## **Discretionary Housing Payments**

51. The Government has provided an additional £30 million to the DHP budget from 2013/14 in support of this particular measure.

52. All the usual DHP rules apply and it is aimed specifically at two groups:

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### **\* Definition of supported 'exempt' accommodation**

1. Supported 'exempt' accommodation refers to certain supported housing but not all of it. It is defined in legislation as: either a resettlement place; or accommodation provided by a county council, housing association, registered charity or voluntary organisation where that body or person acting on their behalf provides the claimant with care, support or supervision.
2. Such accommodation includes group homes, hostels, refuges, sheltered housing, supported living complexes and adapted housing for the disabled provided by housing associations, registered charities, voluntary organisations and county councils. Housing Benefit recognises the often higher costs of providing such accommodation.

- Disabled people living in accommodation that has been substantially adapted for their needs, including new builds
- Foster carers including those between foster placements

53. The expectation is that this money will be prioritised for these groups.

54. There are many reasons, as well as those mentioned in paragraph 52, why it may not be appropriate for someone with a disability to either move house or make up any shortfall in rent themselves. A good example of this may be an individual or family who rely heavily on a local support network. In circumstances such as these it may be appropriate to use the DHP fund to make up the shortfall in their rent.

55. Distribution of this additional funding will be made along with the main allocation later in the year.

56. A foster child is not taken into account when determining the family unit for the purposes of size criteria. Therefore a room would not be included for a foster child to use either currently or in the future. In these circumstances you may decide that it is appropriate to use the DHP fund to make up the shortfall in rent to cover the extra room.

57. It is important to note when deciding if a DHP is appropriate, that it is recommended that a foster child have a room of their own.

58. You may decide it is helpful to allow claimants to apply for DHPs in advance (once regulations relating to the changes have been made in Parliament). This will help alleviate uncertainty for some claimants and allow those going through assessment to become foster carers to provide the necessary assurances to social services that they will have the additional room required. You may then decide to inform the claimant of an award that could start at a future date, subject to any subsequent change in circumstances.

59. To ensure that claimants, especially those in the above groups, are aware they may potentially qualify for a DHP, it is important to publicise the existence of the DHP arrangements. DHPs are a key element of the Government's strategy for managing reductions to Housing Benefit arising from welfare reform.

### **What options are open to people to meet any shortfall?**

60. While it is a claimant's responsibility to ensure their rent is paid, they will have some hard choices to make. It is important to signpost people to any help and advice that may be open to them once they have been informed of a reduction in their Housing Benefit. The toolkit in annex C contains fact sheets that cover the below situations, to be used as you see fit. Some options that a claimant may consider are:

### **Move**

61. A claimant may be able to move to more appropriately sized accommodation in the SRS with the help of their landlord.
62. Alternatively, social tenants affected by the under-occupation measure may choose to move to more suitably sized accommodation in the PRS. One way to encourage tenants to consider this option might be to ensure they are given some degree of preference for an allocation if they apply for a new social tenancy at a later date.

### **Take a Boarder / lodger**

63. With the agreement of the landlord a claimant may be able to take in a boarder or lodger to fill any unoccupied room. This would mean the room would not be treated as unoccupied for the purposes of applying the size criteria rule and the claimant may find they are better off due to the additional income. *For more information see the fact sheet in the toolkit at Annex C/ page 40*
64. Any income from a boarder could have an effect on other benefit a claimant receives so it is important to make them aware of any interaction with other benefit when discussing this option. *For more information on the effects of additional income on Housing Benefit see the fact sheet in the toolkit at Annex C/ page 42*

### **Have family members contribute more**

65. If there are non-dependants living in the accommodation a claimant may be able to cover the excess rent through their new or increased contributions.

### **Move in to work / increase hours**

66. If it is possible or a realistic option, moving into work or increasing working hours would increase a claimant's income and help cover any reduction in housing benefit. *For more information on the effects of additional income on Housing Benefit see the fact sheet in the toolkit at Annex C/ page 42*

### **Discretionary Housing Payments**

67. For those claimants who can not cover a reduction in housing benefit from their own resources and who have a compelling case for remaining in their current accommodation, there is the DHP fund. There is more about this at paragraphs 51-59 and in the DHP guidance on the DWP website\*. *Also see the fact sheet in the toolkit at Annex C/ page 44*

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\* <http://www.dwp.gov.uk/docs/dhpguide.pdf>

ANNEX A

**Description of Regulations**

**Housing Benefit (Amendment) Regulations 2012**

68. These Regulations introduce a new method of calculating the eligible rent when determining the appropriate maximum housing benefit of a claimant in the social rented sector whose housing benefit is determined under the Housing Benefit Regulations.
69. Regulation 5 inserts new regulations 12BA, A13 and B13.
70. Regulation 12BA provides that where a maximum rent (social sector) is to be calculated in accordance with regulation B13 by virtue of regulation A13, the eligible rent will be the maximum rent (social sector).
71. Regulation 12BA also provides for a protected eligible rent based upon the actual rent for up to:
- 13 weeks where the claimant has not previously been awarded housing benefit in the past 52 weeks and was able to meet their rent obligation themselves when they entered into it.
  - 12 months where certain members of the claimant's household have died. This is based either upon the actual rent or, in the case of an existing award of housing benefit, the previous eligible rent.
72. Regulation A13 sets out that a maximum rent (social sector) must be determined by the local authority except in certain circumstances that are contained in schedule 2 to the Housing Benefit Regulations. These include mooring charges for house boats and site fees for caravans and mobile homes, certain excluded tenancies, claimants who have reached the qualifying age for state pension credit or whose partner has reached that age and claimants placed in temporary accommodation by the local authority.
73. Regulation B13 makes provision for the calculation of the maximum rent (social sector). The local authority must determine how many bedrooms are necessary for the claimant's household, in accordance with the criteria set out in paragraph (5), and how many bedrooms the claimant has. The local authority must then determine the claimant's limited rent. If the claimant has one bedroom in excess of the number that is necessary, 14% of the limited rent is deducted to give the maximum rent (social sector). If the claimant has two or more bedrooms in excess of the number that is necessary, the deduction is 25%.

**Consequential amendments**

74. The other paragraphs in regulation 5 contain consequential amendments. This includes an amendment (made by paragraph (2)) to the definition of “registered housing association” to ensure that all tenants of registered social landlords whose rent is not unreasonably high will have their eligible rent determined by reference to a maximum rent (social sector). Regulation 6 amends the definition of “registered housing association” in the Housing Benefit (State Pension Credit) Regulations to ensure consistency.

## ANNEX B

**Example cases**

The reduction will apply to the total eligible rent including any eligible service charges.

**Example 1:**

**A couple living in a three bedroom property with two children aged one and three**

Rent = £60 plus service charges of £20 (£80 in total). £5 of the service charge is ineligible so total eligible rent = £75.

Applying the size criteria means that the household is deemed to be under-occupying by one bedroom.

A 14% reduction of £10.50 is applied to the eligible rent of £75 resulting in Housing Benefit entitlement of £64.50.

**Example 2:**

**A four bedroom house is occupied by a couple, and two girls under 10 and a son aged 18 who is employed.**

Rent = £150 plus service charges of £50 (£200 in total). £20 of the service charges is ineligible so total eligible rent is £180

A 14% reduction is applied because they are considered to be under-occupying by one bedroom under the size criteria rules.

The eligible rent of £180 is reduced by 14% to £154.80.

A non-dependent deduction of £11.45 is applied in respect of the son after the percentage reduction is applied.

Housing Benefit = £154.80 – £11.45 = £143.35

In the case of joint tenants the eligible rent will be apportioned appropriately between the tenants after the percentage reduction has been applied.

**Example 3:**

**Three adults jointly responsible for rent live in a four bedroom property**

The total eligible rent = £100.

Applying the size criteria means that the household is deemed to be under-occupying by one bedroom.

A 14% under-occupancy reduction is made from the eligible rent of £100 (£100 - £14) and then the remaining figure of £86 is apportioned three ways resulting in Housing Benefit entitlement for each tenant of £28.67.

The percentage reduction will be applied to the full rent and therefore to all joint tenants regardless of their actual or agreed share in the property. As above, the eligible rent will then be apportioned appropriately between the tenants according to the proportion of rent they are required to pay after the percentage reduction has been applied.

**Example 4:**

**A four bedroom house is occupied by a single adult and a lone parent and her daughter. The lone parent is the claimant and a joint tenant with the single adult and both are responsible for paying half the rent each. She maintains she is not under-occupying as she is entitled to two rooms for herself and her daughter.**

The total eligible rent = £65

Applying the size criteria means that the household is deemed to be under-occupying by one bedroom.

A 14% reduction of £9.10 is made from the eligible rent of £65. The remaining figure of £55.90 is apportioned two ways resulting in Housing Benefit entitlement for the lone parent of £27.95.

**Example 5:**

**A three bedroom house is occupied by two adults. One occupies a larger bedroom and their share of the rent is 60%. The claimant has a smaller room and their share of the rent is 40%.**

The total eligible rent = £115

Applying the size criteria means that the household is deemed to be under-occupying by one bedroom.

A 14% reduction of £16.10 is made from the eligible rent of £115. The remaining figure of £98.90 is apportioned to meet the 40% contribution toward the rent resulting in Housing Benefit entitlement for the claimant of £39.56.

ANNEX C

**Toolkit**

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**Draft Communication products**

The following are model documents and contain suggested wording. They should be used as you see appropriate, whether in full or edited for your purposes. Any products produced will need to meet the relevant local authority brand guidelines.

***This is a model document to be used as you see appropriate. Any products produced will need to meet the relevant local authority brand guidelines.***

**[Example draft information confirmation letter to be tailored to your need]**

**[contact details for local Housing Dept in LA]**

## **The Housing Benefit you receive may be changing**

I am writing to you because from 1 April 2013, the way Housing Benefit is calculated will be changing.

### **What does it mean for me?**

From the 1 April 2013 the amount of Housing Benefit you receive may go down. This is because if you rent from a local authority, a registered housing association or other registered social landlord the amount of Housing Benefit you get will be based on the number of bedrooms your household needs for Housing Benefit purposes.

If you have one or more extra bedrooms your Housing Benefit may be reduced. The amount allowed for rent and any service charges will be reduced by:

- 14% if you have one extra bedroom, or
- 25% if you have two or more extra bedrooms.

### **How can I find out more information?**

The information sheet enclosed with this letter tells you more about this and explains how many bedrooms are allowed under these new Housing Benefit rules. This will help you to understand what size of accommodation your Housing Benefit will cover.

The information sheet also tells you who to speak to if you want any further help or advice.

### **What do I need to do now?**

Based on the information we hold, it looks like you have --- extra bedroom(s) over the Housing Benefit allowance. To make sure this is correct we need you to confirm the information below. If the information is correct there is no further action you need to take. If it is not correct you must tell us the correct information on the attached form and sign the declaration.

**Information we hold on your household and accommodation**

People in your household:

- adult couple(s) (married or unmarried)
- other adult(s) aged 16 or over
- pair(s) of children of same sex aged under 16
- pair(s) of children aged under 10
- other children
- non-resident carer(s) providing you or your partner with overnight care

Total bedrooms required:

Number of bedrooms in accommodation:

Number of extra bedrooms:

It's important that you contact your local authority Housing Benefit department if there is a change to your living arrangements, for example if you move house or if someone leave or joins your household. Our telephone number is at the top of this letter.

- end of letter -

- signed named official/title in local authority Housing Benefit Department –

If the information in this letter about your accommodation and household is not correct, please tell us the correct information using this form. Please refer to the notes on the next page when filling in this form.

Reference No.

Your name

\_\_\_\_\_

Partner's name

\_\_\_\_\_

Any Children (as described below), their name, date of birth, if they are male or female, relationship to you and if you receive child benefit for them. *(Please continue on a separate sheet if you wish to tell us about more than five children)*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Anyone else who lives with you (as described below), relationship to you and if they pay you or your partner any rent or money for board. *(Please continue on a separate sheet if you wish to tell us about more than three adults)*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

How many **bedrooms** does your accommodation have? (This should be on your tenancy agreement).

\_\_\_\_\_

**NOTES ON ACCOMMODATION AND HOUSE HOLD INFORMATION**

Who lives with you? What we need to know

- We need to know about any children in your household who are under 16.
- We also need to know if they are male or female, their date of birth, relationship to you and if you receive child benefit for them.
- We need to know about anyone else who lives with you 16 or over, (You do not need to tell us about people who just share a hall, bathroom or toilet with you).
- We also need to know their relationship to you or your partner and if they pay you or your partner rent or money for board and lodgings.

**Size of your accommodation. What we need to know**

We need to know how many bedrooms your accommodation has. This often appears on your tenancy agreement.

**DECLARATION**

**Please read this declaration carefully before you sign and date it.**

- **I declare** that the information I have given on this form is correct and complete as far as I know and believe.
- **I understand** that if I knowingly give information that is incorrect or incomplete, I may be liable to prosecution or other action.
- **I know** that I must let you know in writing straight away about any change in my circumstances.

Signature of claimant

Date

## Further information on changes to Housing Benefit



information

### What is changing?

From April 2013 the Government is introducing new rules that set out the number of bedrooms Housing Benefit will pay for, if you are renting from a local authority, a registered housing association or other registered social landlord.

### What are the changes?

The new rules will restrict the size of accommodation you can receive Housing Benefit for based on the number of people in your household.

The rules 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 you but provide you or your partner with overnight care

### How will this affect me?

It is possible that the amount of Housing Benefit you get to pay your rent could go down.

If you are assessed under these rules as having more bedrooms than is necessary for your household you will be considered to be under-occupying that property.

If you are under-occupying there will be a reduction in your Housing Benefit of:

- 14% for under-occupancy by one bedroom
- 25% for under-occupancy by two bedrooms or more

If you are thinking of moving you need to consider these changes before you renew or make a new tenancy agreement.

You may be able to get a Discretionary Housing Payment to make up all or some of the reduction – ask the Housing Benefit office about this.

### When will this affect me?

The size limit rules are due to take effect from 1 April 2013.

We will write to you again before then to confirm that you are considered to be under-occupying and how much the reduction in your Housing Benefit will be.

It is important that you start to consider what your options might be now and where necessary talk to your landlord or local authority.

### Where to go for more information

- You can get more information at [www.direct.gov.uk](http://www.direct.gov.uk) Directgov provides information on public service in one place including up to date information on the Housing Benefit changes.
- Local authority Housing Benefit/Housing Service. Your local authority can help you to find out exactly how these changes will affect you.
- The Citizens Advice service provides a wide range of advice. To find your local Citizens Advice Bureau, look in the phone book or Yellow Pages, or visit their website at [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk) or [www.cas.org.uk](http://www.cas.org.uk) for Scotland.
- Shelter offers confidential housing, welfare benefits and debt advice through a network of advice services; freephone Housing Advice Helpline on 0808 800 4444 8am-8pm Monday-Friday and 8am-5pm Saturday-Sunday and online at [england.shelter.org.uk/get advice](http://england.shelter.org.uk/get advice)  
[www.shelter.org.uk](http://www.shelter.org.uk)

### Where to go for more information

- Local authority Housing Benefit/Housing Service. Your local authority can help you to find out exactly how these changes will affect you.
- The Citizens Advice service provides a wide range of advice. To find your local Citizens Advice Bureau, look in the phone book or Yellow Pages, or visit their website at [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk) or [www.cas.org.uk](http://www.cas.org.uk) for Scotland.
- Shelter offers confidential housing, welfare benefits and debt advice through a network of advice services; freephone Housing Advice Helpline on 0808 800 4444 8am-8pm Monday-Friday and 8am-5pm Saturday-Sunday and online at [england.shelter.org.uk/get advice](http://england.shelter.org.uk/get advice)  
[www.shelter.org.uk](http://www.shelter.org.uk)  
[www.sheltercymru.org.uk](http://www.sheltercymru.org.uk)
- There may be other advice centres in your area, or your local authority may have a welfare rights service. Check the phone book or your local authority website.
- You can get more information about Housing Benefit at [www.direct.gov.uk](http://www.direct.gov.uk) Directgov provides information on public service in one place.

*This is a model document to be used as you see appropriate. Any products produced will need to meet the relevant local authority brand guidelines.*

[Example draft change of award letter to be tailored to your need]

Address

HB/Reference:

NI Reference:

Rent Reference:

CTX Account No:

Tel Ext  
Fax  
E-Mail

Dear

**Notification of a change to your Housing Benefit**

I am writing to let you know that your benefit has been changed from 01/04/2013 because there has been a change to the way Housing Benefit is worked out and this affects how much you will get.

Our records show that you have more bedrooms than you need using the rules that we use for Housing Benefit, (you are under-occupying your home) by \_\_\_ bedroom(s). This means that a \_\_\_% reduction is to be made to your eligible rent and service charges. The amount of benefit you will get is now:

**Housing Benefit**

£? per week from 01/04/2012

**How you will be paid**

**Housing benefit** will be paid by \_\_\_\_\_. Your benefit payment of £\_\_ will be paid on 00/00/2013.

£\_\_ will be paid every\_\_\_\_\_.

You will need to pay your landlord the remaining £\_\_ of your rent yourself

**Details of the information you have given me and how your benefit has been worked out are shown on the following pages. Details are also given of what you should do if you disagree with my decision.**  
[DN: insert information about members and makeup of household and details about how benefit has been worked out where appropriate]

You should read this letter very carefully. It is especially important that you check through the pages marked "please read this page carefully". If you think there is anything wrong, you must tell me immediately in writing.

### **Further information**

If you would like more information, or a more detailed explanation of how this decision was made, please telephone \_\_\_\_\_ or write to the address at the top of this letter.

You can also ask the [insert Voluntary Body] for advice about your claim.

### **Other benefits and tax credits**

Many people do not claim all the benefits and tax credits they are entitled to.

Did you know that some benefits are not based on what other money you have coming in?

Please contact the benefits section on \_\_\_\_\_, your local Citizens Advice Bureau, or other advice agency, for further information about general entitlement and how to claim.

If you have a friend or relative you think might be entitled to help, please ask them to get in touch.

If you disagree with this decision you can:

- Write to the benefits section and ask for a detailed statement as to how we arrived at the decision shown in this letter.
- Write to the benefits section within one month of the date of this letter and ask us to reconsider our decision. We will look at your claim again and write to you.
- Write to the benefits section within one month of the date of this letter making a formal appeal. We will review our decision. If we cannot change the decision in your favour, your appeal will be passed directly to the independent Appeals Service.

Asking for a statement or for us to review your claim does not take away your right to submit a formal appeal.

For more detailed information about your choices please see our leaflet, which is available at the Council's enquiry offices or by phoning the benefits section on \_\_\_\_\_.

### **Change in Your Circumstances**

Benefit has been awarded for the weeks shown above using the information you provided about your circumstances. Changes in your circumstances or those of anyone living with you can affect your benefit entitlement. If an overpayment of benefit occurs you may have to pay some money back to the Council. You must read this notification carefully and notify the Council immediately of anything that is different.

You must write and inform the Council of any changes in your circumstances which might affect the amount of benefit you are paid. If you deliberately fail to tell us about changes in circumstances, resulting in too much benefit being paid, you are committing an offence and may be prosecuted.

The following are examples of changes which you should write to the Council about as soon as they happen. Please note that these are only examples and as such do not cover everything that you should tell us about:

- Changes to you or your partner's income.
- Changes to the income of any non-dependants or 2nd adults living with you.
- If you, your partner, any non-dependants, or 2nd adults stop receiving Income Support.
- Changes in the number of people living with you.
- If any of your children leave school or college.
- If someone in your household starts work.
- If the rent you pay to your landlord changes.
- If you move to different accommodation.

Please note: You must tell me about any changes immediately. If the change means that you would get more benefit, and you do not tell me within one month, I will not be able to backdate the change.

Some of these changes may increase the amount of help you are entitled to, for example, if you start to receive attendance allowance, carers allowance or disability living allowance.

Your sincerely

Signatory  
Designation

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**Factsheet for Claimants** [Please note – a Welsh language version of this factsheet will be available on the local authority staff pages of the DWP website]

## Further information on changes to Housing Benefit



information

### What are the changes?

#### From 1 April 2013

The Government is introducing size limit rules into Housing Benefit for working age people renting from a local authority, a registered housing association or other registered social landlord.

The new rules will restrict the size of accommodation you can receive Housing Benefit for based on the number of people in your household.

The new rules 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 you but provide you or your partner with overnight care

### How could you be affected?

It is possible that the amount of Housing Benefit you get to pay your rent and any service charges could go down.

If you are assessed under these rules as having more bedrooms than are necessary for your household you will be considered to be under-occupying that property.

If you are under-occupying there will be a reduction in your Housing Benefit. The amount allowed for rent and any service charges will be reduced by:

- 14% for under-occupancy by 1 bedroom
- 25% for under-occupancy by 2 bedrooms or more

If you are thinking of moving you need to consider these changes before renewing or making a new tenancy agreement.

You may be able to get a Discretionary Housing Payment to make up all or some of the reduction – ask the Housing Benefit office about this.

### When will these changes take effect?

The new size limit rules are due to take effect on 1 April 2013.

The local authority will write to anyone affected to alert them to the fact they may be under-occupying and to confirm the information they hold. They will then write again to confirm any reduction in Housing Benefit and how much the reduction will be, before any such reduction takes effect.

It is important that you start to consider what your options might be now and where necessary talk to your landlord or local authority.

### Where to go for more information

- Local authority Housing Benefit/Housing Service. Your local authority can help you to find out exactly how these changes will affect you.
- The Citizens Advice service provides a wide range of advice. To find your local Citizens Advice Bureau, look in the phone book or Yellow Pages, or visit their website at [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk) or [www.cas.org.uk](http://www.cas.org.uk) for Scotland.
- Shelter offers confidential housing, welfare benefits and debt advice through a network of advice services; freephone Housing Advice Helpline on 0808 800 4444 8am-8pm Monday-Friday and 8am-5pm Saturday-Sunday and online at [england.shelter.org.uk/get advice](http://england.shelter.org.uk/get advice)  
[www.shelter.org.uk](http://www.shelter.org.uk)
- Information about Housing Benefit can be found at [www.direct.gov.uk](http://www.direct.gov.uk)

### Where to go for more information

- Local authority Housing Benefit/Housing Service. Your local authority can help you to find out exactly how these changes will affect you.
- The Citizens Advice service provides a wide range of confidential advice. To find your local Citizens Advice Bureau, look in the phone book or Yellow Pages, or visit their website at [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk) or [www.cas.org.uk](http://www.cas.org.uk) for Scotland.
- Shelter offers confidential housing, welfare benefits and debt advice through a network of advice services; freephone Housing Advice Helpline on 0808 800 4444 8am-8pm Monday-Friday and 8am-5pm Saturday-Sunday and online at [england.shelter.org.uk/get advice](http://england.shelter.org.uk/get advice)  
[www.shelter.org.uk](http://www.shelter.org.uk)  
[www.sheltercymru.org.uk](http://www.sheltercymru.org.uk)
- There may be other advice centres in your area, or your local authority may have a welfare rights service. Check the phone book or your local authority website.
- You can get more information about Housing Benefit at [www.direct.gov.uk](http://www.direct.gov.uk) Directgov provides information on public service in one place.

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## **Factsheet for Advisers**

### **CHANGES TO HOUSING BENEFIT IN THE SOCIAL 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 local authority, registered housing association or other registered provider of social housing.

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

#### **WHAT DOES THIS MEAN FOR PEOPLE CLAIMING HOUSING BENEFIT FOR THE FIRST TIME?**

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.

#### **EXAMPLE**

Stuart and Isabel have three children, Jenny who is 12, Max who is 9 and Alice who is 6.

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.

## WHAT DOES THIS MEAN FOR PEOPLE WHO ALREADY RECEIVE HOUSING BENEFIT?

For those people who currently claim Housing Benefit, the local authority will compare how many bedrooms there are in their property with the number of people living there. They will then use the above rules to assess whether they are under-occupying their accommodation.

If someone is considered to be under-occupying their accommodation there will be a reduction in the amount allowed for rent and any service charges of:

- 14% if they are considered to have one extra bedroom
- 25% if they have two or more extra bedrooms

### **EXAMPLE**

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 10.

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

### **EXAMPLE**

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 10 she and Peter would not be expected to share a room. Sonia would therefore not see any reduction in her Housing Benefit.

## JOINT TENANTS

The size limit rules will take into account everyone living in the property when calculating how many bedrooms Housing Benefit should be paid for. If it is decided that the accommodation is under-occupied, a percentage reduction

will be taken off the rent for the household and Housing Benefit will be paid on the basis of the proportion of the rent the claimant is liable to pay.

**EXAMPLE**

Stewart lives in a three bedroom flat which he shares with Eusebio. The rent is £100 a week and they split the rent 50/50. Stewart currently receives Housing Benefit to cover his share of the rent.

Under the size limit rules Stewart would be considered to be under occupying as him and Eusebio would only require two rooms.

As he is under-occupying by one room a 14% reduction would be applied to the full rent making it £86, as Stewart is liable for half the rent he would then receive £43 Housing Benefit a week.

If Stewart decided to remain in the flat he would need to make up the remaining £7 himself.

**EXAMPLE**

Ella is a lone parent with one child, Laura. She lives in a four bedroom flat as a joint tenant with her friend Jane and pays half of the £130 weekly rent. Jane's earnings take her above Housing Benefit eligibility, but Ella is unemployed and entitled to Housing Benefit of the full eligible rent (half of £130 = £65).

Under the size limit rules, the accommodation is under-occupied by 1 room. Total rent = £130, minus the 14% reduction of £18.20 = £111.80. Ella's eligible rent is half of this – that is, £55.90.

**EXEMPTIONS**

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 April 2013.

**Non-Mainstream accommodation** – These are mooring charges for house boats and site charges for caravans and mobile homes as well as various “excluded tenancies” within schedule 2 to the Housing Benefit Regulations, such as regulated tenancies.

**Temporary accommodation** – Any claimant who is accepted as homeless under Homelessness legislation of the Housing Act 1996 and placed in temporary accommodation by 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 as set out in paragraph 4 of Schedule 3 to the Consequential Provisions Regulations 2006.

#### SHARED ACCOMMODATION RATE

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.

#### HOW WILL EXISTING HOUSING BENEFIT CLAIMANTS BE CONTACTED?

Local authorities will assess who may be under-occupying their accommodation. If someone is identified as under-occupying the local authority will get in touch with them to notify them of this and to highlight what options they have.

The local authority will contact claimants in plenty of time before the implementation of the size limit rules to allow time for people to make alternative arrangements.

It is important that as soon as a claimant receives notification they start to consider their options and seek appropriate advice.

#### WHAT OPTIONS DO PEOPLE HAVE?

If someone is assessed as under-occupying their accommodation and experience a reduction in Housing Benefit, 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. Their 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 the local authority 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** – Taking in a lodger to fill an extra bedroom may be a good option for some claimants. The lodger would be assessed as part of the household, meaning they would not necessarily be considered to be under-occupying and may have more income due to the extra rent. *See factsheets on Taking in a lodger and treatment of other income for more details on this. These calculations may be complicated and you may wish to seek further advice. (See other support and advice at the end of this factsheet).*

**Increase hours of work** – If a claimant is in employment they may consider increasing their working hours if possible to make up the shortfall in rent. *See factsheet on treatment of other income for more details on this.*

**Take a job** – If a claimant is not currently in employment, finding a job could help them pay the additional rent. *See factsheet on treatment of other income for more details on this. These calculations may be complicated and you may wish to seek further advice. (See other support and advice at the end of this factsheet).*

**Apply for a DHP** – In certain circumstances a claimant may be entitled to a payment from the Discretionary Housing Payment Fund. This is a fund administered by the local authority for those they consider in real need of additional help with their housing costs. *See factsheet on DHPs for more details on this.*

#### OTHER SUPPORT AND ADVICE

Encourage claimants to talk to their 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 landlord how they will pay the additional rent.

Signpost to the local authority Housing Options (if the claimant has not already spoken to them).

If there is one, signpost the local authority welfare rights service.

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

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## **FAQs**

### **Social Sector Size Limit – FAQs from claimants**

#### **When was the size limit measure announced?**

The Chancellor announced the introduction of size limit rules in the social rented sector in the June 2010 emergency budget. It now forms part of the Welfare Reform Act 2012, which received Royal Assent on 8 March 2012.

#### **When will the change come into force?**

The regulations are due to take effect from 1 April 2013

#### **What does under-occupying mean?**

- If someone is assessed as having more bedrooms in their accommodation that is necessary according to the new rules (see 'how many rooms am I allowed?'), they will be considered to be under-occupying that property.

#### **How many rooms am I allowed?**

The new rules will restrict the size of accommodation you can receive Housing Benefit for based on the make up of your household.

The new rules 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 you but provide you or your partner with overnight care

#### **What will happen if I am under-occupying?**

If you are assessed as under-occupying your accommodation a percentage reduction will be made to your eligible rent and any eligible service charges. This percentage will depend on how many rooms you are under-occupying by:

- 14% if someone is considered to have one extra bedroom
- 25% if someone has two or more extra bedrooms

#### **Who is affected?**

The size limit measure will affect anyone who is of working age and is receiving Housing Benefit or has made a claim for Housing Benefit.

#### **What does working age mean?**

Anyone under state pension credit age.

**What if my partner is over state pension credit age?**

If one member of a couple receiving Housing Benefit is over state pension credit age then the size limit will not apply to them.

**Is anyone exempt?**

There are certain circumstances where the size limit rules will not be applied.

*Non-Mainstream accommodation* – These are mooring charges for house boats and site charges for caravans and mobile homes as well as various “excluded tenancies” within schedule 2 to the Housing Benefit Regulations, such as regulated tenancies.

*Temporary accommodation* – Any claimant who is placed in temporary accommodation by the local authority 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 as set out in paragraph 4 of Schedule 3 to the Consequential Provisions Regulations 2006.*

**Will the shared accommodation rate apply?**

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.

**Are you allowed a room for a foster child?**

No, when calculating how many bedrooms a family unit require, a room for a foster child will not be taken into account. Therefore, a household that has an extra room for a current or potential foster child will be treated as under-occupying.

If assessed as under-occupying, foster carers or those being assessed to become foster carers should apply to their local authority for help with the shortfall in their rent from the Discretionary Housing Payment fund. (This is administered by the Housing Benefit office, not the Fostering Service – although they can ask the Fostering Service for help with the application).

**I share the house with someone else, how is my room allowance worked out?**

If you occupy your accommodation jointly with someone else the size limit rules will take into account everyone living in the property when deciding whether you are under-occupying for Housing Benefit purposes. If it is decided that you are under-occupying, a percentage reduction will be taken

off the whole eligible rent and any eligible service charges and your Housing Benefit will then be based on the proportion of the rent you are liable to pay.

**EXAMPLE**

Stewart lives in a three bedroom flat which he shares with Eusebio. The rent is £100 a week and they split the rent 50/50. Stewart currently receives Housing Benefit to cover his share of the rent.

Under the size limit rules Stewart would be considered to be under-occupying as he and Eusebio would only require two rooms.

As he is over occupying by one room a 14% reduction would be applied to the full rent making it £86, as Stewart is liable for half the rent he would then receive £43 Housing Benefit a week.

If Stewart decided to remain in the flat he would need to make up the remaining £7 himself.

**EXAMPLE**

Ella is a lone parent with one child, Laura. She lives in a four bedroom flat as a joint tenant with her friend Jane and pays half of the £130 weekly rent. Jane's earnings take her above Housing Benefit eligibility, but Ella is unemployed and entitled to Housing Benefit of the full eligible rent (half of £130 = £65).

Under the size limit rules, the accommodation is under-occupied by 1 room. Total rent = £130, minus the 14% reduction of £18.20 = £111.80. Ella's eligible rent is half of this – that is, £55.90.

**I share care of my children with my ex-partner, are we both entitled to a room for them?**

Where parents who don't live together have shared care of their children, the children will be treated as living with the parent who is treated as responsible for them and provides their main home.

For someone to be treated as responsible for a child or young person, the child or young person must normally be living with them. If a child or young person spends equal amounts of time in different households, or there is a question as to whom they normally live with, they will be treated as living with the person who is receiving Child Benefit for them.

The parent who is not considered to provide their main home will not be entitled to receive Housing Benefit for an extra room for their child/children. If they wish to remain in their current accommodation they will need to make up the shortfall in rent themselves. See section on 'what options do I have?' below.

**My house has been adapted to cater for my disability, am I included in the size limit rules?**

Other than the cases stated above there will be no exceptions to the application of the size limit rules. If there is a reason that an extra room is necessary your local authority may be able to help you with the extra rent through the Discretionary Housing Payment fund.

**My child has a disability and is not able to share a room; will I be allowed an extra room for them?**

Generally there will be no exceptions to the application of the size limit rules, other than the cases stated above. If there is a reason that an extra room is necessary your local authority may be able to help you with the extra rent through the Discretionary Housing Payment fund.\*

**My child is away at university, can I keep their room for when they are home in the holidays?**

The new size limit rules do not allow for this, unless the absence is temporary (less than thirteen weeks or 52 weeks for students) and the young person concerned intends to return home.

**Will my housing association find me a smaller house?**

If you wish to move to smaller accommodation it is advisable to talk to your landlord. They should be able to advise you if moving to smaller accommodation is possible and what steps you need to take.

**My partner has just passed away, am I going to be expected to move as well?**

There may be circumstances where someone in receipt of Housing Benefit would be considered to be under-occupying because of a death in their household. In these circumstances they would be protected and the size limit rules would not be applied until after 12 months or they moved home or there was another change of circumstances (whichever came first).

**I could afford my rent but just lost my job and need to claim Housing Benefit. Does this mean I won't get benefit to cover all my rent because I have an extra room?**

If you could previously afford to pay your rent and find yourself in a situation where you now cannot, for example because of a loss of job, provided you have not claimed Housing Benefit in the last 52 weeks, the size limit rules will

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\* Due to a Court of Appeal judgment in the cases of Burnip, Trengove and Gorry those whose children are said to be unable to share a bedroom because of severe disabilities will be able to claim Housing Benefit for an extra room from the date of the judgment, 15 May 2012.

However it will remain for local authorities to assess the individual circumstances of the claimant and their family and decide whether their disabilities are genuinely such that it is inappropriate for the children to be expected to share a room.

not be applied for the first 13 weeks. They will be applied earlier than 13 weeks if you move home or have another change of circumstances.

**How will my rent be paid?**

If you are assessed as under-occupying, your reduced Housing Benefit will be paid as it has been previously and the remainder of the rent will need to be paid by you to the landlord. It will be a decision for you and your landlord how this is done.

**How will I make up any shortfall in rent?**

If you are assessed as under-occupying your accommodation and experience a reduction in your Housing Benefit, there are a number of courses of action open to you. You may wish to find more appropriately sized accommodation or stay where you are and make up the shortfall in rent yourself.

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

You may decide that moving to the private rented sector would be appropriate for you. Again your landlord or local authority will be able to advise you about this.

*Ask non-dependants to contribute* – If you decide to stay in your current accommodation and make up the shortfall yourself you may wish to ask other non-dependants living with you to contribute to the rent.

*Take in a lodger* – You may wish to take in a lodger to fill the extra room you have. You should check 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 factsheets on Taking in a lodger and treatment of other income for more details on this. These calculations may be complicated and you may wish to seek further advice. (See other support and advice at the end of this factsheet).*

*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 on treatment of other income for more details on this.*

*Take a job* – If you are not currently in employment, finding a job could help you pay the additional rent. *See factsheet on treatment of other income for more details on this.*

*Apply for a DHP* – In certain circumstances a claimant may be entitled to a payment from the Discretionary Housing Payment Fund. This is a fund administered by the local authority for those they consider in real need of additional help with their housing costs. *See factsheet on DHPs for more details on this.*

**Further information – Factsheets** [Please note – Welsh language versions of these factsheet will be available on the local authority staff pages of the DWP website]

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## Factsheet - Renting out your Spare Room



information

From April 2013 there will be new rules in Housing Benefit for working-age people living in social housing. Housing Benefit will no longer pay for bedrooms that they decide you do not need.

For some people, offering out a spare room to a lodger may be a sensible option. This would mean that Housing Benefit would no longer consider the room to be spare.

In addition to this, the first £20 of weekly income from a lodger is ignored and won't affect your benefits. If you receive more than £20 a week in rent, the extra cash is likely to affect your benefits - although overall you should still be better off. Your local authority or an advice organisation will be able to advise you on the effects additional income will have on your benefit.

Homeowners and tenants who let furnished accommodation and take in a lodger are exempt from paying tax on rental income of up to £4,250 a year – and because it's tax free, it also won't affect the amount that you receive in Child Tax Credit or Working Tax Credit either.

### Step by step guide to renting out a room

#### 1. Step One – Get your house rent ready

Make sure your home and the room you want to rent out is safe, fire proof and that you have general safety sorted.

If you are planning to rent out a room, let your landlord know as you may need to get permission first. Councils and housing associations usually allow tenants to take in a lodger, but you have to check and get permission.

Also speak to where you claim benefits to check if the extra cash affects your entitlement.

A general guide to letting a room is available here:

<http://www.communities.gov.uk/publications/housing/lettingrooms?view=Standard>

Further information on the Rent a Room scheme and taking in a lodger are available here. It may also be worth speaking to your local Citizens Advice Bureau.

[http://www.direct.gov.uk/en/MoneyTaxAndBenefits/Taxes/TaxOnPropertyAndRentalIncome/DG\\_4017804](http://www.direct.gov.uk/en/MoneyTaxAndBenefits/Taxes/TaxOnPropertyAndRentalIncome/DG_4017804)

## 2. Step Two – Advertise

There are lots of ways you can advertise your spare room. Try putting a notice in your local shop or go online and advertise it for free through one of the many websites available.

## 3. Step Three – Find someone that's right for you

Letting someone live in your home is a big step, so it pays to be prepared.

Take your time to talk to the people viewing your property to make sure they are a good fit for your home.

It is also good to lay down your simple ground rules early, so you both know what to expect.

## 4. Step Four – Get references

Ask your new lodger if they can provide references from an employer or previous landlord. This can give you extra peace of mind that the agreement you are entering into is likely to be alright.

## 5. Step Five – Get it in writing

Have a written agreement between you and your lodger.

This should include: rent amount and payment details; which rooms/facilities the lodger is entitled to use; services you agree to provide; any share of household bills, how long until the payment amount is reviewed and house rule; notice period. There are many guides to lodger agreements available through bookshops and stationers.

### **Safety tips**

- Always have a friend accompany you to interview new lodgers
- Keep valuables locked away during the interview
- Make sure you use the interview as an opportunity to ask about anything that concerns you

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## Factsheet - The effect additional income will have on your Housing Benefit



information

From April 2013 there will be new rules in Housing Benefit for working-age people living in social housing that will no longer pay for bedrooms that you are said to not need. This will create a shortfall in the help you get towards your rent, which you will have to meet yourself.

For some people, taking up employment or increasing their hours may be a sensible option. This would mean that they can make up some or all of the shortfall between their rent and Housing Benefit as a result of the changes.

Those who want to take up part-time work to keep in touch with the job market will have specific amounts of their earnings ignored in working out their Housing Benefit depending on their circumstances. For single people the first £5 of your earnings will be disregarded (the amount you can keep) increasing to £10 if you're a couple, £20 for disabled people and those getting a carer's premium and £25 for lone parents.

These disregards are intended to encourage people, for whom full-time work may not be an immediate option, to keep in touch with the labour market. However, the design of the current tax and benefit system means that most people see a more substantial increase in their overall income when they move into work of 16 hours or more.

The tax credits provide more help than is available through the out-of-work benefits, more than would be available through minimum earnings alone. Housing Benefit and Council Tax Benefit can also be available to those who are in full time work to ensure that a person's net income after rent is higher than out-of-work benefit levels. There are also financial incentives to encourage people back into work, these include:

- In-Work Credit designed to help lone parents to cope with the financial aspects of the transition in to work;
- Housing Benefit, Council Tax Benefit and mortgage interest run-ons paid for up to four weeks after people move from IS or JSA into work;
- Job Grant which provides a non-taxable payment of £100 for single people and couples without children, and £250 for lone parents and couples with children.

The way that earnings or extra earnings affect both in work and out of work benefits, depends very much on a person's home circumstances and how

many hours they work. It can also become complicated when trying to see how benefits and tax credits interact.

If you have a job in mind or would like to work out how you might make yourself better off in work we would encourage you to use the Benefits adviser calculator; the link for it is below:

<http://www.direct.gov.uk/en/Dio11/DoltOnline/DoltOnlineByCategory/DG172666>

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## Factsheet - Making a claim for Discretionary Housing Payments



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Discretionary Housing Payments (DHPs) provide customers with further financial assistance when a local authority considers that help with housing costs is needed.

Whether you are granted a DHP, how much it is and for how long it is paid will be a decision for the local authority and will entirely depend on an individual's circumstances and the purpose of the DHP.

### **Who is entitled to claim DHPs?**

Anyone who requires further assistance with housing costs and is currently claiming Housing Benefit or Council Tax Benefit.

### **What will they cover?**

Among other things DHPs will cover:

- Restrictions in Housing Benefit allowance following the introduction of size criteria in the social rented sector.
- Increase in essential work-related expenditure due to moving further from your place of employment.
- Rent deposits or rent in advance if you need to move home.

### **What information do I need to provide?**

You must provide any information that is relevant to your claim to help the decision maker fully assess your claim and come to a decision.

### **How do I make a claim?**

This will depend on your local authority. Check their website or call the helpline.

### **Additional DHP funding**

The Government has made an additional £30 million available to the DHP fund from 2013/14 specifically to help two groups who may be affected by the introduction of size criteria rules in to the social rented sector. These are people living in significantly adapted accommodation and foster carers.

#### ADAPTED ACCOMMODATION

If you live in accommodation that has been significantly adapted for you or someone in your household due to a disability, you may be entitled to a DHP to make up any shortfall in your rent from having a reduction for your spare room.

#### FOSTER CARERS

If you are a registered foster carer whether you are currently looking after a child or not, or you are applying to be a foster carer, the size criteria rules will not recognise that any bedroom reserved for a foster child is occupied. Any such room will be treated as a spare room. You may therefore be considered to be under-occupying your accommodation and see a reduction in your Housing Benefit. As a result you may be able to get a DHP to cover any shortfall in rent.

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## Factsheet - What to do if you fall into rent arrears



information

If your rent is not paid, the money owed is called 'rent arrears'. Rent arrears are 'priority debts', which means the consequences of not dealing with them are serious - there is a risk of eviction.

### **What can happen if you don't pay your rent**

Landlords usually have the right to seek a court order to evict you for rent arrears. In certain circumstances your landlord may be able to evict you without the need to obtain a court order first.

The rules about when and how a landlord may evict you for rent arrears differ according to the type of tenancy agreement you have. The type of tenancy agreement you have will depend partly on who your landlord is. If you are unsure of what type of tenancy you have you should check your tenancy agreement. For more information on types of tenancy and eviction please see the link below.

[http://www.direct.gov.uk/en/HomeAndCommunity/Councilandhousingassociati onhomes/Rentarrearsandeviction/DG\\_188733](http://www.direct.gov.uk/en/HomeAndCommunity/Councilandhousingassociati onhomes/Rentarrearsandeviction/DG_188733)

### **Dealing with rent arrears**

If you can't pay your rent, you have missed rent payments or you're worried your payments are not being made, sort things out as soon as you can. Even if you have other debts, make sure you prioritise rent arrears.

*Things to do to help you get back on track*

- make a list of all your debts and put them in order of priority
- write down all your income and expenses – then see how much you've got to pay your debts
- work out how much you can afford to pay to each creditor (a person or organisation you owe money to)
- consider seeking advice from a debt advice agency such as National Debtline
- **most importantly**, talk to your landlord – try to reach an agreement about paying off the arrears, but don't agree to pay more than you can afford. One way to do this is through an agreed debt management plan.

Remember that once your rent is being paid in full again, the arrears that have built up will still have to be paid off.

### **Help with paying your rent**

Even if you already receive Housing Benefit, if it doesn't cover your rent you may be able to get some extra money – called 'discretionary housing payment' (DHP). Contact your local council to see if you qualify. (See *factsheet on DHPs*)

You should also consider seeking advice from a debt advice agency, which should be able to advise you on how to maximise your benefits and about any additional benefits you may be able to claim. They may also be able to assist you with filling out the forms and ensuring that any claims are not held up by incomplete paperwork.

### **Help and advice**

You can get free, independent advice about rent difficulties from several organisations.

#### *HOUSING ADVICE CENTRES*

Housing advice centres offer help with all housing matters. They're run by local authorities or voluntary organisations.

#### *SHELTER*

Shelter offers face-to-face, phone, email and online advice about any housing problems (not just homelessness).

[www.shelter.org.uk](http://www.shelter.org.uk)

[www.sheltercymru.org.uk](http://www.sheltercymru.org.uk)

[0808 800 4444](tel:08088004444) (calls are free from UK landlines and main mobile networks).

#### *CITIZENS ADVICE BUREAUX (CAB)*

The CAB offers free, confidential advice face-to-face or by phone. Most CABs also offer home visits, and some give email advice.

[www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

[For Wales call 08444 77 20 20](tel:08444772020)

[For England call 08444 111 444](tel:08444111444)

[TextRelay users should call 08444 111 445](tel:08444111445)

#### *NATIONAL DEBTLINE*

National Debtline is a free, confidential service offering independent advice about dealing with debt. You can get information online or by calling the free helpline.

[www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)

[0808 808 4000](tel:08088084000)