



Independent
Living Fund

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Policy Circular

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1.0 Background

As part of the financial assessment to calculate the Available Income of a user who is not in receipt of Income Support or comparable benefitsⁱ, an allowance is made for housing and water rate costs (less any sums received by way of housing benefit or council tax benefit).

Users who *pay* Board & Lodging (B&L) may request that their costs are taken into account within our notional assessment so that these are offset against their income.

Users who *provide* B&L accommodation within their home on a commercial basis, or who receive income from subletting will need to declare this and an amount will be taken into account as income when calculating the notional assessment.

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The Government Standard

2.0 B&L Policy

2.1 B&L Payments by Users

For a B&L payment to be classed as a housing cost, it must be paid on a commercial basis and must not be provided by a close relative or family member (see definitions at appendix) of the user. The ILF definition of a relative for the purposes of paying a carer who lives with a user differs to the Income Support definition and we must use the IS definition for the purposes of financial assessment.

Certain deductions are made from the gross B&L charge for items included that are not rental costs. If housing benefit is in payment, these deductions will have been made from the user's gross payment, therefore any part of B&L not covered by housing benefit is also subject to the same deductions by ILF to ensure we only take rental costs into account.

Deduction amounts can be found in the Disability Rights Handbook under: *Housing Benefit and Council Tax Benefit, How much of your rent is taken into account?* The resulting figure after deductions will be the housing cost to use in the notional assessment.

2.2 B&L Income

Where users provide B&L accommodation within their home on a commercial basis (see definition at appendix), to someone other than a close relative or family member, the following calculation will determine the amount of income to be taken into account in a notional assessment

1. Add together all the payments made for BL for the week
2. Calculate how much BL income belongs to the claimant (i.e. if the claimant is in partnership only a share of the total payments will be the claimant's income)
3. Deduct £20 and
4. Deduct 50% of any excess over £20

The above calculation (correct at 15/04/2012) applies for each person for whom B&L is provided. This calculation can be found in the Department of work and Pensions Decision Makers Guide, chapter 28

3.0 Subletting Policy

3.1 Subtenants

If a user is a subtenant they must have a contract to pay rent. In such cases the user is treated as a tenant when calculating a notional assessment. Rent that a user pays as a subtenant can be allowed as a housing cost

3.2 Income from Subletting

Where a user sublets part of their home the following calculation will determine the amount of income from subletting to be taken into account in a notional assessment

1. Add together all payments received for the week and
2. Deduct £20.00 or the whole of the amount paid where the total is less than £20 (rate correct at 18/07/2013)

The above calculation applies for each subtenant who is liable under a contract to pay rent to the user. This calculation can be found in the Decision Makers Guide chapter 28

4.0 Source

SMT meeting 2 September 2002
Decision Makers Guide
Income Support Regulations
Disability Rights Handbook
SMB 5 December 2012

5.0 History Date Reviewed

23 January 2009
3 June 2010 Biennial review
25 January 2012 (Review date amended from June 2012)
November 2012

Appendix

1.0 Definitions

1.1 B&L:

- a) accommodation provided for a charge that includes providing the accommodation and some cooked or prepared meals or
- b) accommodation provided in a hotel, guest house, lodging house or similar establishment.

Any meals provided should not be cooked or prepared by the boarder or a member of the boarder's family and should be eaten on the premises.

1.2 B&L provided on a 'commercial basis' is broadly defined in the DMG as covering the cost of food and a reasonable amount for accommodation.

1.3 Close relatives and families are defined by Income Support rules as follows:

A family is

1. a couple **or**

2. a couple and any child or young person who is

2.1 a member of the same household **and**

2.2 the responsibility of either or both members of the couple **or**

3. a person who is not a member of a couple (this will usually be a lone parent)

and any child or young person who is

3.1 a member of the same household **and**

3.2 the responsibility of that person.

4. a couple and any child or young person who has

4.1 died **and**

4.2 CHB in respect of them is extended following their death.

Note: The child or young person stops being a member of the family when entitlement to CHB ends

When considering BL accommodation "close relative" means a:

1. parent

2. parent in law

3. son

4. son in law

5. daughter
6. daughter in law
7. step parent
8. step son
9. step daughter
10. brother or sister (including half-brother and half-sister)
11. partners of any of the people mentioned above

A child who is adopted becomes:

1. a child of the adoptive parents **and**
2. the brother or sister of any other child of those parents.

The child stops being the child of, or the brother or sister of any children of the natural parents. Whether an adopted person is a close relative of another person depends upon the legal relationship and not the blood relationship.

ⁱ Comparable benefits refers to Income Based Jobseekers Allowance, Income-related Employment and Support Allowance or Pension Guarantee Credit.