

## **Housing Benefit reductions for under occupation**

### **Briefing from Entitledto**

The government has said that from April 2013 it will introduce new size criteria for housing benefit claims by social housing tenants. According to DWP 670,000 social housing tenants will be affected the new "bedroom tax"

This briefing is intended to help social housing providers planning their strategy for informing tenants about these new size criteria.

#### **What counts as under occupation?**

The size criteria are essentially the same as in Local Housing Allowance for private sector tenants. One bedroom is allowed for each person or couple living as part of the household, apart from:

- Children under 16 of same gender, who are expected to share
- Children under 10, who are expected to share regardless of gender
- Disabled tenants who need an overnight carer can get an extra room

#### **Reduction in Housing Benefit**

Tenants living in properties that are under occupied (according to the above criteria) will see their Housing Benefit reduced by a percentage:

- One bedroom too many: 14% reduction in Housing Benefit
- Two or more bedrooms too many: 25% reduction in Housing Benefit

Note that the reduction will be a percentage of Housing Benefit eligible rent rather than a fixed cash amount. This means actual reductions will go up and down in line with rent levels across the country.

## **Who will be affected?**

The new rules will only apply to tenants of working age. However, increases in state pension age mean that who is defined as working age is changing in line with increases in female state pension age.

The government have hinted at exceptions for other groups but are yet to announce details. There is little expectation of a general exemption for disabled people, as the government have stated that there is already sufficient allowance for disabled people through the provision for an extra room where the tenant has an overnight carer.

There may also be protection for the following groups:

- Disabled tenants whose properties have been adapted to meet their needs
- Foster carers
- People living in sheltered housing

## **Timetable**

The Welfare Reform Bill is expected to pass into legislation in the near future. However, the Bill contains only an overview of the new scheme. The detail of the scheme will be in regulations to be published in early 2012.

The changes will come into effect in April 2013.

After October 2013 the new size criteria will be absorbed into Universal Credit, with the element of the credit for housing costs incorporating any deduction for the additional bedroom(s).

## **How Entitledto can help**

Entitledto have created a range of online solutions to help tenants or advisers calculate how changes in benefit rules will affect them. These electronic tools will be updated automatically as legislation changes. As well as general tools we have specific tools that focus on issues that directly affect tenants, such as the bedroom calculator.

Entitledto can also offer telephone advice lines to landlords, which can be either branded as "provided by Entitledto" or by the housing provider. Additionally, we can provide training courses on the changing benefits scene.

For more information please email [roland@entitledto.co.uk](mailto:roland@entitledto.co.uk) or see [www.solutions.entitledto.co.uk](http://www.solutions.entitledto.co.uk)