

Housing Benefit Changes from January 2012

Guidance for Customers

Extension of the Housing Benefit Shared Accommodation Rate to people aged under 35

From January 2012 the Government is planning to change the rules that apply to single people living in privately rented accommodation who are aged 25 to 34, and claiming Housing Benefit.

Under current rules Local Housing Allowance rates which can apply to single people, depending on their circumstances are:

Shared Accommodation Rate

- Single people under 25 years of age, living alone, in self contained accommodation
- Single people, regardless of age, living in a property with shared facilities

One Bedroom Rate

- Single people over 25 years of age, living alone, in self contained accommodation
- Single people over 25 years of age, living in a property with shared facilities but with exclusive use of two rooms
- Single people under 25 years of age subject to one of the two exceptions below

There are two exceptions for single people under 25 where the Shared Accommodation Rate does not apply, these are:

- Single people who are severely disabled and receive the middle or high rate of the care component of Disability Living Allowance
- Care leavers under the age of 22, unless they are living in a property with shared facilities

From January 2012 the age limit for the shared accommodation rate for single people will be raised to 35. The exception for severely disabled people who live alone will also apply to people aged 25 to 34.

In addition, there will be two further exceptions for people aged 25 to 34 living in self-contained accommodation:

- Those who have previously spent at least 3 months in a hostel or hostels for the rehabilitation or resettlement of homeless people.
- Ex-offenders who might present a risk of serious harm to the public and are subject to management by the Multi-Agency Public Protection Panel (MAPPA), to be rehabilitated back into the community.

Who will this change affect?

This change will affect any single person under the age of 35:

- making a new claim for Housing Benefit from January 2012
- existing customers changing their address from January 2012
- existing customers who reach the anniversary date of their claim from January 2012

How much is the Housing Benefit Shared Accommodation Rate?

We have not yet been told what the shared accommodation rate is for January 2012, we will not know this until towards the end of December 2011. For more information about Local Housing Allowance rates please see

[The current rates and what rate applies to you](#)

Examples

Example 1 - A single person aged 30 in self-contained accommodation claims Housing Benefit in April 2010. The rent charged is £90.00 each week and they are entitled to the one room rate of Local Housing Allowance which was £84.00 each week, the customer has £6.00 each week to pay towards their rent.

The Local Housing Allowance rate is reviewed on the anniversary date of their claim in April 2011, and they are worse off under the rules that came into force from April 2011. The customer is entitled to transitional protection for nine months, so instead of receiving the new Local Housing Allowance rate for April 2011 which was £77.00 each week, they continue to receive the previous one room rate of £84.00 each week.

Once transitional protection ends in January 2012, instead of the Housing Benefit reducing to £77.00 each week, it will now reduce to the shared accommodation rate of £55.00 each week. In this example this would mean that the customer has £29.00 extra each week to pay towards their rent.

Example 2 – A single person aged 30 in self-contained accommodation claims Housing Benefit in May 2011. The rent charged is £77.00 each week and they are entitled to the one room rate of Local Housing Allowance which was £77.00 each week, the customer therefore has nothing pay towards their rent.

The Local Housing Allowance rate is reviewed on the anniversary date of their claim in May 2012. The Housing Benefit will reduce to the shared accommodation rate of £55.00 each week. In this example this would mean that the customer now has £22.00 each week to pay towards their rent.

Example 3 – A single person aged 23 in self contained accommodation claims Housing Benefit in August 2010. The person is under 25, so they are entitled to the Shared Accommodation Rate of £57.00 each week. The rent charged is £70.00 each week, therefore the customer has £13.00 each week to pay towards their rent.

The anniversary date of their claim is August 2011, and the nine month transitional protection begins. The shared accommodation rate is now £55.00 each week, but the customer continues to receive £57.00 each week due to the transitional protection.

In December 2011 the customer has their 25th birthday, transitional protection ends because they are now entitled to a larger category of dwelling. This resets the anniversary date for the claim and benefit is now calculated based upon the one bedroom rate of Local Housing Allowance which is £75.00 each week, the customer cannot receive more than their contractual rent so housing benefit is awarded at £70.00 each week, the customer therefore has nothing to pay towards their rent.

In December 2012 the claim reaches the anniversary date, the claim is reviewed and the shared accommodation rate of £55.00 each week now applies. The customer has £15.00 to pay towards their rent.

Example 4 – A single person aged 28 in self contained accommodation claims Housing Benefit in March 2012. The person is under 35 so they are entitled to the Shared Accommodation Rate of £55.00 each week. The rent charged is £65.00 each week, therefore the customer has £10.00 each week to pay towards their rent.

Example 5 – Exception applies from 25th birthday after 1 January 2012. A single person aged 24, who spent 2 years in a specialist hostel for former rough sleepers, is living in self contained accommodation, and is in receipt of the Shared Accommodation Rate of £55.00 each week. The rent is £77.00 each week, therefore the customer has £22.00 each week to pay towards their rent.

From their 25th birthday in February 2012 the customer becomes entitled to the one bedroom rate, as the new exception applies. The one bedroom rate is £77.00 each week, therefore the customer has nothing to pay towards their rent.

What happens next?

Once these changes take effect, customers will need to either:

- Pay the shortfall between the housing benefit and the rent charged, and/or
- Approach their landlord in order to try to re-negotiate the rent they are charged, or
- Find cheaper alternative accommodation

What other options do customers have?

Customers could either:

- Find affordable accommodation, or
- Find someone to move in and share the rent with, or
- Return home to live with parents

What accommodation should customers look for?

- Customers who need Housing Benefit to help them pay their rent should ensure they know the expected amount of Housing Benefit they are likely to receive. They will then know the rent level they can afford and can decide whether they are able to make a contribution towards the rent charged, depending upon their income, where the rent is higher than the Housing Benefit.
- Local Authority properties
- Housing Association properties
- Shared accommodation
- Low cost bedsit accommodation

What happens if customers are under threat of becoming homeless?

At the first indication that this could happen, customers should contact Darlington Borough Council Housing Options Team on the telephone number 01325 388542 for further advice.

The Housing Options Team can provide advice, and further assistance such as help with:

- Contacting Housing Associations
- Looking at shared accommodation that may be available
- Accessing the Bond Scheme to assist moving to alternative accommodation
- Applications for Crisis Loans
- Accessing short term support to look for cheaper accommodation
- Accessing support through the Key Point of Access

Further housing advice is available from:

- Darlington Borough Council Housing Options Team – Town Hall, Darlington, DL1 5QT, telephone number 01325 388542
- First Stop – The Old Museum, Tubwell Row, Darlington, DL1 1PD, telephone number 01325 254463
- Darlington Citizen's Advice Bureau – Bennet House, Horsemarket, Darlington, DL1 5PT, telephone number 01325 256999