

Guide to changes to Housing Benefit for church leaders.



Changes with potentially huge effects to the communities Church serves are happening *now*. Starting now and over the next few years there are several major changes happening to the housing benefit system. These will affect all working age people who claim some form of government support with their housing costs.

Some of these measures are expected to cause large areas, especially in London, to be completely unaffordable to those on low incomes. The Churches have campaigned against these changes as it widely accepted that stable communities will undergo large population changes and many will become homeless as a result.

Total numbers affected are difficult to estimate as they are a matter of political disagreement, however best evidence suggests that over 1 million households (or 2.5 million people) will lose some or all of their Housing Benefit, and around 250,000 will face temporary accommodation or homelessness.

Who will be affected?

People who are on low income or unemployed who get help to pay their rent. The rules are complicated but a household with an income of around £15,000 a year is more likely than not to be receiving housing benefit. Those in areas where rents are high, especially London, will be worst affected. Over 65s are exempted from some but not all of the changes

Which Benefits are being changed?

Housing Benefit and *Local Housing Allowance*. Both are commonly called housing benefit.

When will People be affected?

New claimants for housing benefit have had the new rules applied since April 2011. Existing claimants will have them applied in January 2012.

Housing Benefit caps.

The first change is the capping of housing benefit which started in April 2011 for new claimants and will be fully in place across the country by January 2012. Previously as long as a flat or house had a reasonable rent for the area it was in and it was the right size for their family then the government would pay Housing Benefit to cover the full rent. Now however Housing Benefit is nationally capped at £250 a week for a one bedroom property (including shared accommodation), £290 a week for a two bedroom property, £340 a week for a three bedroom property, £400 a week for a four bedroom

property, with a limit of four bedrooms. This means that even the cheapest accommodation in certain high rent areas will not be covered by housing benefit. If a person's rent is currently higher than the cap on housing benefit then they will have to move or make up the difference in cost from their other income.

Under 35s Housing Benefit limited to a room in a shared house

At the moment if someone is a single person under 25 then they will only receive enough housing benefit to rent a room in a shared house. When they reach 25 they may be receive enough for a single bedroom flat. From January 2012 that age will be lifted to 35, so any single person under the age of 35 will only receive housing benefit for a room in a shared house. Practical implications of this include availability of suitable shared accommodation.

Reduction in Housing Benefit for those under occupying social housing

This change only affects people in social housing who are under-65; pensioners will not be affected. Currently if a person is in social housing then all of their rent is covered by housing benefit even if they no longer "fully occupy" a house. Full occupation is defined as the number of rooms deemed to be needed by the family given its size and the age of any of their resident children. From April 2013 they will only receive housing benefit for the proportion of the social housing that they "fully occupy". To avoid losing their home they will have to make up the difference between rent and housing benefit out of other income.

Housing Benefit and Universal Credit

From April 2013 the majority of benefits that go to non-pensioner households will be moved into a new system called Universal Credit. While the administration of the housing benefit may change greatly the basic rules will remain the same – but instead be renamed the "Housing Component of the Universal Credit".

Pensioners will not be part of the Universal Credit and the exact details of administering their housing benefit are as yet unknown.

Timetable for Housing Benefit Changes:

April 2011- January 2012	Housing benefit capped
January 2012	Single people under 35 have housing benefit capped at the room in shared house rate.
April 2013	Housing benefit reduced for those under occupying social housing
April 2013	Total Household Benefit Cap introduced
October 2013 –October 2017	Universal Credit Introduced

Joint Public Issues Team, December 2011.

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