

Care leavers and the Local Housing Allowance

This is an enquiry we received about a young person who was being placed in private accommodation and needed to understand the implication of local housing allowance on the housing benefit he could expect to receive. Sue Baxter, NCAS Accommodation Project Manager, supplied the information for the response.

Question

I am a housing support worker within the leaving care team. Because of the scarcity of appropriate accommodation in our locality we refer some of our care leavers to private sector accommodation. The young people however are routinely having their claim for housing benefit queried on the basis that they are under the age of 25; they are only entitled to housing benefit to cover a room in a shared house not the one bedroom flat we have secured for them. A related problem appears to be that the benefit is being paid to the young person and not the landlord which is causing some of our more vulnerable young people who are struggling to manage on job seekers allowance to fall into rent arrears.

Answer

Local Housing Allowance Rates

Since April 2009 local housing allowance is a new way of calculating housing benefit. This does not apply to properties rented from the council or Registered Social Landlords (RSL). The amount of allowance the claimant is entitled to is worked out using the average rent of a property in an area of the size required by the claimant.

For young people under the age of 25 however, the amount the claimant can receive is the standard rate for a room in shared accommodation, that is where the claimant has their own room but shares some facilities, for example kitchen and bathroom with other people. This is referred to as the shared local housing allowance rate (previously this was called single rent restriction). Care leavers are exempted from this restriction but only up until 22 years of age when, if they were still claiming housing benefit in private rented accommodation, the housing benefit would be reduced to the shared local housing allowance rate. This will present significant problems for the young people you are resettling into private accommodation as the difference can be considerable, and this change will come into effect at a time when leaving care services will most

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probably be reduced or withdrawn. The housing benefit department can pay a discretionary amount if the rent restriction will cause hardship. A very readable publication on housing benefit is available from www.HBhelp.co.uk.

Payment directly to the claimant

The other feature of local housing allowance is that it is paid directly to the claimant. The rationale being that it is an amount based on the average of renting a property in the area, if the claimant can find a cheaper place they are entitled to keep the difference up to £15 per week. Each local authority has criteria for when it is not appropriate to pay the money to the claimant and will pay it directly to the landlord. The most common reasons for rent being paid directly to the landlord is if the tenant is vulnerable, has a history of not paying bills or they have built up arrears of more than eight weeks. You will have to be proactive when supporting the young person to claim housing benefit to identify on the form that they are vulnerable and provide evidence if required.

About us

Please note that, although the information in this briefing is correct to the best of our knowledge, NCAS does not give legal or benefits advice and we recommend that you seek separate legal advice as necessary.

For further information and resources please go to our website www.leavingcare.org or contact:

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NCAS is part of Catch22, the charity that helps young people out, www.catch-22.org.uk