

## **How the removal of the spare room subsidy affects foster carers**

### **What are the under-occupancy rules?**

New rules, introduced from 1 April 2013, determine how Housing Benefit (HB) is calculated for social housing tenants of working age.

### **How will the under-occupancy rules work?**

A social housing tenant's local authority (LA) will compare how many bedrooms there are in the tenant's property with the number of people living there. If they are assessed as having more bedrooms than necessary (according to national size criteria) they will be considered to be under-occupying their property and a percentage reduction will be applied to the HB they receive for their eligible rent and service charges. This will be:

- 14% if they are considered to have one extra bedroom
- 25% if they have two or more extra bedrooms

### **What are the size criteria?**

The size criteria are used to determine if a tenant is under-occupying their property. They stipulate that one bedroom is needed for

- every adult couple (married or unmarried)
- any other adult aged 16 or over
- any two children of the same sex aged under 16
- any two children aged under 10
- any other child
- a carer (or team of carers) who do/does not live with the claimant but provides the claimant or their partner with overnight care where the claimant or their partner requires care
- disabled children may be allowed a separate room if necessary
- parents of armed forces personnel who continue to live at home but who are deployed will be allowed to retain that adult child's bedroom
- one additional room will be allowed for foster children

Foster children, that is, children whose main home is elsewhere and children who are not yet living in the claimant's household (for example, a bedroom being kept for a child who is to be adopted but who has not yet moved in) are **not** included in the HB calculation.

It should be noted that foster carers must have been approved as such by an LA or independent fostering service. One additional bedroom will be allowed but only if a child has been placed with the foster family within the last 52 weeks. Likewise, they have 52 weeks from becoming approved to foster, to having a foster child placed with them. If this 52 week period has elapsed, the easement will cease to apply.

## **How do the rules for private housing tenants compare to those for tenants in social housing?**

The HB rules for private sector tenants have been in place for a number of years though the provision for foster carers to have a spare bedroom is new from 1 April 2013.

For private sector tenants, HB rules establish the number of bedrooms required based on the same size criteria as for social housing tenants and as with social tenants, private tenants who foster are allowed an extra bedroom.

HB is then awarded based on the Local Housing Allowance (LHA) for the area. There are different rates up to a maximum level of 4 bedrooms and these are based on the lowest thirty percentile of rents in the area but with a cap for more expensive areas. The LHA is a set rate and does not necessarily bear any relation to actual rent. A claimant in private sector housing is free to live in a more expensive property but will need to meet the shortfall.

## **What can a foster carer do if they are having difficulties meeting the costs of housing a second or subsequent foster child?**

LAs hold a Discretionary Housing Payment (DHP) fund from which payments can be made to help people in the local area with their housing costs.

Where a foster carer needs more than one bedroom for foster children, LAs have been advised that a DHP may be awarded to help cover any reduction in the carer's HB resulting from these bedrooms.

People going through the approval process to become foster carers, who need to show that they have a spare room to be approved, may also need a DHP. If a DHP is paid on this basis it would be up to the claimant to inform the LA of any change of circumstances if, for example, they were not subsequently approved.

## **Does this new housing benefit rule effect 'informal' family and friends' carers?**

In England/Wales, there are two types of family and friends carer

- children who have been placed in a family and friends care arrangement by the LA are looked after children. In this case, the relative or friend carer must be approved as a foster carer therefore they will be in the same position regarding the HB rules as other foster carers
- children in a family and friends care arrangement which was not arranged by the LA are not looked after. In this case, the relative or friend carer will not be approved as a foster carer. These children are considered part of the carer's household, so their bedrooms don't attract the under-occupancy penalty

**How is the Government monitoring the impact on foster carers of the new HB rules?**

The Department for Work and Pensions will be surveying LAs over the coming two years to monitor the implementation of the new rules.