

NEW **EXEMPTION** FROM THE SHARED ACCOMMODATION RATE FOR CARE LEAVERS AND SOME HOMELESS YOUNG PEOPLE



WHAT'S CHANGING?

In the March 2021 Budget, the Government announced that it was bringing forward changes to exemptions to the Shared Accommodation Rate for the following groups:

- All care leavers up to the age of 25; and
- People aged under 25 who have spent at least three months in a homeless hostel.

This means that these groups of young people who are in receipt of either Housing Benefit or the housing element of Universal Credit will be eligible to claim the self-contained, one-bed rate of the Local Housing Allowance within Universal Credit, instead of the Shared Accommodation Rate.

These exemptions extend the age ranges for existing exemptions for care leavers under the age of 22 and for over-25s who have spent over three months in a qualifying hostel.

WHEN WILL THE EXEMPTION COME INTO FORCE?

Regulations to extend the exemption will be laid on 6 May 2021 and come into force on Monday 31 May 2021.

WHAT DIFFERENCE WILL THIS MAKE?

The table below shows the difference in value between the SAR and one bed rate in different areas of the country.

Local Authority	Broad Rental Market Area (BRMA)	Weekly shared Accommodation Rate (£)	Weekly One Bed Rate (£)	Weekly Difference (£)
Westminster	Central London	154.19	295.49	141.3
Lewisham	Inner SE London	118.87	264.66	145.79
Coventry	Coventry	77.50	112.77	35.27
Barnsley	Barnsley	61.50	84.00	22.5
Truro	Kernow West	80.97	113.92	32.95
Middlesbrough	Teesside	65.00	86.30	21.3

All figures are from March 2021. NB: Some local authority areas will contain more than one BRMA. For the purposes of this illustration, the higher BRMA is used.

DOES SOMEONE NEED TO BE LIVING IN A 1-BED PROPERTY TO BENEFIT FROM THIS EXEMPTION?

No. Under Housing Benefit rules, unless you were entitled to the care leavers exemption or disability exemption, you could only claim the LHA rate for a certain property if you were living in that property type. Under Universal Credit this is no longer the case. This means that an under-25 eligible for this exemption will be able to claim this higher amount even if they are living in shared accommodation, providing that they are claiming Universal Credit.

DO DWP OR LOCAL AUTHORITIES HAVE TO CONTACT YOUNG PEOPLE WHO MAY BE ENTITLED TO THIS EXEMPTION?

No. DWP will not contact claimants and do not expect local authorities to do so, although they may wish to. Young people will be expected to self-identify to claim this exemption, when making a new claim for Universal Credit or by updating their journal on an existing claim.

HOW CAN A YOUNG PERSON APPLY FOR THIS EXEMPTION?

If a young person is making a new claim for Universal Credit they should make their Work Coach aware of their situation in their initial interview when verifying their housing costs as part of the claim process.

IF SOMEONE IS ALREADY RENTING PRIVATELY AND THINKS THEY SHOULD BE ELIGIBLE FOR THIS EXEMPTION, HOW SHOULD THEY APPLY?

If a young person is already claiming the housing element of Universal Credit, they should use their journal to inform their work coach that they are eligible for this exemption and a higher rate of LHA.

CAN THIS EXEMPTION BE BACKDATED?

No. The DWP will only pay the higher one-bed rate once they are made aware of a young person's situation, and after the implementation of the new exemption on 31 May.

DOES THE THREE-MONTH PERIOD HAVE TO BE SPENT IN ONE HOSTEL?

No. A young person can have spent time in different homeless hostels so long as their total length of stay is at least three months in total.

DOES A YOUNG PERSON HAVE TO GO STRAIGHT FROM A HOSTEL INTO PRIVATE RENTED ACCOMMODATION?

No. As long as a young person has spent three months in a qualifying hostel or hostels in the past, they can claim this exemption.

WHAT EVIDENCE DO YOUNG PEOPLE NEED TO PROVIDE TO SUPPORT THEIR CLAIM?

Young people claiming this exemption will need to prove that they have spent at least three months in a qualifying hostel or hostels by providing the details of the hostel(s) they stayed in and the dates they were there. Hostel providers can support this by providing:

- **A license or tenancy agreement for the period they were a hostel resident**
- **A rent or service charge statement for the period they were a hostel resident**
- **A valid Housing Benefit claim for the period they were a hostel resident**
- **A letter from the service verifying that a young person stayed there and accepted support with rehabilitation and resettlement.**
- **For care leavers, their status should be recorded as part of the Universal Credit claim process, but providers may want to provide a letter from the Children's Services department where a young person was in care if this is not the case.**

WHAT COUNTS AS A 'HOSTEL' FOR THE PURPOSES OF THIS EXEMPTION?

It is up to the benefit decision maker to satisfy themselves that a service or building meets the definition of a hostel. For a service to be counted as a hostel for the purpose of this exemption it must have a **main purpose to provide accommodation, care, supervision or support with a view to assisting homeless people to be rehabilitated or resettled in the community.**

To be eligible for this exemption a young person must have accepted support services to enable them to be rehabilitated or resettled in the community during their time in the hostel.

As well as this, the service must satisfy the definition in regulations as a building:

"(a) in which there is provided for persons generally or for a class of person domestic accommodation, otherwise than in separate and self-contained premises, and either board or facilities for the preparation of food adequate to the needs of those persons, or both; and

(b) which is –

(i) managed or owned by a registered housing association; or

(ii) operated other than on a commercial basis and in respect of which funds are provided wholly or in part by a government department or agency or a local authority; or

(iii) managed by a voluntary organisation or charity and provides care, support or supervision with a view to assisting those persons to be rehabilitated or resettled within the community; and

(c) which is not a care home;"

WOULD A HOSTING SCHEME COUNT AS A HOSTEL FOR THIS EXEMPTION?

No, a hosting scheme in a private home would likely not count. This is because the main purpose of the building is not to provide accommodation and support with a view to resettling homeless people.

IF ONLY SOME AMENITIES ARE SHARED, WILL A SERVICE/BUILDING COUNT AS A HOSTEL?

As long as the property is not fully self-contained – i.e. that not all amenities are behind a 'single door' accessible by one individual – and meets the other criteria it should count as a qualifying hostel. For example, services that have en suite bathrooms but shared kitchen facilities should qualify. However, it will be for the decision maker to decide on the eligibility of individual buildings.

HOW CAN I FIND OUT WHICH SERVICES IN MY AREA COUNT AS HOSTELS?

Your local authority may keep a list of qualifying hostels in the local area. You should contact your council's revenue and benefits service or homelessness team to ask whether they are aware of any of your services which come under this definition.

WHAT CAN FRONTLINE SERVICES DO TO HELP ALL YOUNG PEOPLE WHO ARE ELIGIBLE TO BENEFIT FROM THIS NEW EXEMPTION?

- **Speak to your local authority to see if they hold an up-to-date list of qualifying hostels, and ensure your service is on it if you feel it qualifies**
- **Provide a young person with evidence that they have spent at least three months in a hostel or hostels and have accepted rehabilitation and resettlement support as part of their move on process**
- **Contact any former residents who have moved on from your service but may be eligible for this exemption**