

CBN POLICY BRIEFING

THE ISSUE

The Government has introduced changes to the way housing benefit is paid to those council tenants who receive financial help to meet their rent. The Government is calling this change 'removal of the spare room subsidy'. In the media, these changes are being referred to as 'the bedroom tax' and while not a tax, it does concern the number of spare bedrooms in properties. This change may affect bereaved families where, for example, a family member has recently died and a room is not currently used.

BACKGROUND

At present, tenants in financial difficulties may receive Housing Benefit towards the cost of their accommodation. The amount can vary depending on the type of accommodation being rented, family size and other circumstances. There are around five million recipients of Housing Benefit, of which 3.3 million are in the social rented sector (council property or housing associations). The current average Housing Benefit for social rented sector tenants is around £86 per week, although this is higher in areas with more expensive housing.

There is a national shortage of one bedroomed properties in the social rented sector, so councils and housing associations have often accommodated families in larger available properties and have tended to allow families to stay in familiar homes when changes occur (such as a death in the family, children being at college in term time).

CURRENT POSITION

The Government introduced changes in April 2013. The stated principle behind these changes is to meet the growing demand for social housing by freeing up unused rooms. They argue that it is fairer, for example, for a couple to be in a one-bedroomed place and for a family in need to come off a long social housing waiting list and occupy the larger property. Unfortunately, there are too few one-bedroomed properties in the social housing sector.

In recognition that not everyone will be able to move to a smaller property when they have a vacant room, they will charge tenants under retirement age for the under-occupancy. If one room is considered 'spare' the 'eligible rent' will be reduced by 14%; if two rooms are considered 'spare', the 'eligible rent' will be reduced by 25%. The details are available at <https://www.gov.uk/government/publications/removal-of-the-spare-room-subsidy--2>. (There are further conditions: more children will have to share rooms (the occupancy will be calculated on the principle of one room for two siblings aged up to 10; one room for two same sex siblings up to 16 etc); separated parents will no longer be able (without loss of benefit) to keep a spare room for their children's visits;

foster carers will no longer be able (without loss of benefit) to keep a spare room available). By May 2014, over 480,000 families had had their Housing Benefit reduced, by an average of £14.90 per week.

This is potentially a really serious change for bereaved families in social housing. If, for example, a child has died, the family may not yet feel ready to change their bedroom; they will have to choose between losing a percentage of housing benefit or leaving behind the room and memories. Michael Rosen wrote a piece in the Guardian about the impact of the changes on families in these circumstances

<http://www.theguardian.com/commentisfree/2014/jan/14/bedroom-tax-death-leveller>.

If a parent has died, the family may have to make the choice between moving away from familiar and comforting surroundings or losing a significant part of their housing benefit. It will no longer be possible, without losing benefit, to keep a spare room for grandparents to visit to offer support and care, for example – or, indeed, for grandparents of working age to keep a room for their grandchildren to visit.

At present, families who have been bereaved have 52 weeks' protection before they would qualify for the under-occupancy charge. However, our most recent understanding is that when Universal Credit comes into force, this will drop to a mere three months. We are checking this.

Combined with the changes to bereavement benefits (from April 2017), we expect that bereaved families in lower income groups will be seriously affected.

WHAT CBN IS DOING

We will be continuing to highlight the challenges for bereaved families when this change comes into force, alongside our work on the implications of changes to bereavement benefits.

WHAT CBN MEMBERS CAN DO

You may have families who will be affected by these changes and whose experience of bereavement will be affected by the worry over accommodation and the effect this has on their children. Local Citizens' Advice Bureaux will be able to help anyone with questions. There are useful briefings here:

http://england.shelter.org.uk/get_advice/housing_benefit_and_local_housing_allowance/changes_to_housing_benefit/bedroom_tax

<http://www.housing.org.uk/policy/welfare-reform/bedroom-tax/>

We would be very interested to hear of any families you know who may be affected by these changes. Please email details to dstubbs@ncb.org.uk. If you have any questions or would like any more information, please do get in touch.