

NORTH LANARKSHIRE COUNCIL REPORT

To:	Policy & Resources (Finance & Customer Services) Sub-Committee	Subject:	Housing Benefit "1996 Rule" & Removal of Spare Room Subsidy
From:	Head of Revenue Services		
Date:	21 January 2014	Ref:	BC /

1 Introduction

- 1.1 This report relates to the Department of Works & Pensions (DWP) bulletin HB U1/2014 "Removal of Spare Room Subsidy" (RSRS), herein referred to as the Bulletin, which was issued on 8th January 2014.

2 Background

- 2.1 The DWP introduced provisions, the RSRS, which resulted in the eligible rent for claimants being reduced by 14% or 25% if there was under-occupancy of 1 bedroom or 2-or-more bedrooms respectively. This affected working-age claimants within the Council / RSL sector and came into effect from 1st April 2013.
- 2.2 The DWP provided additional monies to Local Authorities through the Discretionary Housing Payments scheme (DHP) to assist LAs in alleviating some of the impact of this Welfare Reform change within their communities. The use of these monies is the subject of a separate report on the agenda.
- 2.3 The Bulletin identifies that the DWP has become aware of circumstances where the application of the RSRS is incompatible with the Benefit Regulations as they currently stand. The DWP has identified that the RSRS should not be applied to the eligible rent of an applicant where they:
- Have continuous entitlement to HB since at least 1st April 1996,
 - Occupied the same dwelling since that date
- 2.4 The DWP indicates that the provisions outlined in paragraph 3.1 will continue to apply even if there has been a break in the continuous entitlement which is
- Of no more than 4 weeks
 - Of no more than 52 weeks if the claimant or their partner is a welfare to work beneficiary
- 2.5 The LA is required to consider if the potentially affected claimants can be identified from their records and whether the LA can reasonably be satisfied that the claimant would satisfy the criteria.

3 Impact of the Bulletin

- 3.1 During 2013/14 to 21st January the application of the RSRS has affected over 8,200 households with a reduction against the eligible rent of £2.4m.
- 3.2 As this affects both HRA / RSL contact has been made with each sector to advise them of the impact and seek information from them regarding those tenancies which they believe may be affected in these circumstances. Details have been received for the HRA tenancies identified however information from the RSLs are still awaited.

- 3.3 Within the HRA there are over 950 households which have been identified where the tenant has been resident within the same property since at least 1st April 1996 and has had a RSRS applied. Following review of these cases 399 households have been identified where the RSRS should not have been applied based on the criteria contained within the Bulletin. This has involved a review of the case histories over the 18 years to confirm that the household meet the criteria. The 399 households are entitled to a reinstatement of their HB amounting to £152,000.
- 3.4 The award and backdating of the HB may mean that the rent account may have both an award of HB and a DHP payment and could technically be in credit on their rent account due to this duplication of support. For HRA tenancies a similar situation may apply in respect of Prevention and Sustainability Awards (PSF) in that these may also have been awarded and would contribute to the rent account being in credit.
- 3.5 The bulletin indicated that the DWP would introduce new regulations / legislation at the earliest opportunity to remedy this situation and reintroduce the RSRS to these cases. The DWP have introduced The Housing Benefit (Transitional Provisions) (Amendment) Regulations 2014 which will reapply the RSRS with effect from 3rd March 2014.
- 3.6 As a consequence the Council has issued letters to the affected households regarding the reinstatement of their HB entitlement, the means of dealing with the apparent credit on their rent account, and the intention of the DWP to reintroduce the RSRS.

4 Recommendation

The Committee is asked to

- 4.1 Note the report



Head of Revenue Services

Members seeking further information on the contents of this report are asked to contact Mr. Brian Cook, Head of Revenue Services on 01698 403929