

EXPLANATORY MEMORANDUM TO

THE HOUSING BENEFIT AND UNIVERSAL CREDIT (CARE LEAVERS AND HOMELESS) (AMENDMENT) REGULATIONS 2021

2021 No. 546

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

- 2.1 This instrument extends the ages for which two existing exemptions from the shared accommodation rate (SAR) of the Local Housing Allowance (LHA) can apply. Those exemptions are the care leavers exemption and the homeless hostel exemption. The care leavers exemption is being extended so that it applies up to the age of 25 instead of 22. The lower age limit of 25 has been lowered to 16 for the homeless hostel exemption. A claimant, of either the housing element of Universal Credit or Housing Benefit, who qualifies for an exemption from the SAR can instead claim the higher, one-bedroom rate of housing support.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

- 3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

- 4.1 The territorial extent of this instrument is Great Britain.
- 4.2 The territorial application of this instrument is Great Britain.
- 4.3 The Department for Communities in Northern Ireland will replicate the provisions within these Regulations for Northern Ireland.

5. European Convention on Human Rights

- 5.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation no statement is required.

6. Legislative Context

- 6.1 The Housing Benefit Regulations 2006¹ and Universal Credit Regulations 2013² each set out the appropriate rate of Local Housing Allowance (LHA) to use.
- 6.2 This instrument amends both sets of Regulations to change the age limits to existing shared accommodation rate exemptions for care leavers and those who have spent at least 3 months in a homeless hostel.

7. Policy background

What is being done and why?

- 7.1 The Local Housing Allowance (LHA) scheme was introduced in 2008³ to calculate the maximum amount of housing support payable for claimants in the private rented sector. It applies to the majority of private rented sector tenants claiming Housing Benefit and all tenants claiming Universal Credit in that sector.
- 7.2 The shared accommodation rate is the lowest rate of housing support and is based on individuals living in shared accommodation. The principle that young, single people in the private rented sector should have their housing support limited to a rate appropriate for shared accommodation, was introduced as early as 1996. The Shared Room Rate, as it was known, applied to those under 25 years of age and continued with the introduction of the LHA scheme in 2008.
- 7.3 The age threshold for the shared accommodation rate was extended from under 25 to under 35 from January 2012 by the⁴ Housing Benefit Amendment Regulations 2011 as part of the package of reforms to the Local Housing Allowance scheme. For Housing Benefit, it also applies regardless of age to those living in shared accommodation.
- 7.4 Several exemptions from the shared accommodation rate provide additional support to certain vulnerable claimants, who can instead claim the higher, one-bedroom rate. Since the introduction of LHA, care leavers up to the age of 22 have been able to claim an exemption from the shared accommodation rate. When the age threshold was extended in 2012, a new exemption was introduced for those aged between 25 and 34 who have spent at least three months (which does not have to be continuous) in a homeless hostel that specialised in rehabilitation and resettlement. To benefit from this exemption, claimants would need to have been offered and to have accepted support services to enable them to be rehabilitated or resettled in the community.
- 7.5 In the March 2020 Budget, the Government announced changes to the care leavers and homeless hostel shared accommodation rate exemptions which would benefit claimants at risk of homelessness from October 2023. In the following Budget on 3 March 2021, due to the impact of Covid-19 on shared accommodation rate claimants, the changes were brought forward by over two years to 31 May 2021.
- 7.6 The care leavers exemption will apply up to age 25. This supports continuity of accommodation and gives care leavers an additional 3 years to establish links, build support networks, and find work. It also brings the shared accommodation rate policy

¹ [The Housing Benefit Regulations 2006](#) (SI 2006/213)

² [The Universal Credit Regulations 2013](#) (SI 2013/376)

³ By Section 30 of the [Welfare Reform Act 2007](#)

⁴ [The Housing Benefit \(Amendment\) Regulations 2011](#) (SI 2011/1736)

in line with wider government policies that offer extended support to care leavers up to the age of 25.

- 7.7 The homeless hostel exemption will be extended to reduce the lower age threshold to 16. Those under 25 who have a history of homelessness can face the same issues with resettlement as older claimants. In addition, they are rarely considered high priority by local authority letting policies and the fact they have ended up homeless means they are unlikely to have family support. Extending this exemption supports both those younger claimants to secure suitable move-on accommodation and the Government's efforts to end rough sleeping.

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

- 8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

9. Consolidation

- 9.1 Informal consolidated text of instruments is available to the public free of charge via 'The National Archives' website: www.legislation.gov.uk.
- 9.2 Not applicable.

10. Consultation outcome

- 10.1 The Department presented the draft Regulations to the Social Security Advisory Committee (SSAC) on 21 April 2021. The Committee did not take the Regulations on formal reference.
- 10.2 The Department has a statutory duty to consult the Local Authority Associations on amendments to Housing Benefit regulations and Scottish Ministers on amendments to the housing costs elements of the Universal Credit regulations. They had no comments.

11. Guidance

- 11.1 DWP will update the guidance on GOV.UK to reflect the ages changes. A Housing Benefit bulletin highlighting the changes will be circulated to Local Authorities and guidance issued to UC Operational staff.

12. Impact

- 12.1 There is no, or no significant, impact on business, charities or voluntary bodies.
- 12.2 There is no, or no significant, impact on the public sector.
- 12.3 An Impact Assessment has not been prepared for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

13. Regulating small business

- 13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. Monitoring & review

- 14.1 DWP will continue to monitor the effects of this instrument and the wider policy.

15. Contact

- 15.1 Tony Knight, Housing Policy Division at the Department for Work and Pensions can be contacted by email on hpdc consultations@dwp.gov.gsi.uk with any queries regarding the instrument.
- 15.2 Vicki Kennedy, Deputy Director for Housing Policy Division, at the Department for Work and Pensions can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 Will Quince, Minister for Welfare Delivery at the Department for Work and Pensions can confirm that this Explanatory Memorandum meets the required standard.