

Housing benefit / Universal Credit housing cost changes



From April 2018, the way that Housing Benefit and the Housing Cost Element of Universal Credit are calculated will change and you may be affected if you have taken a tenancy since April 2016.



These benefits will be based upon the number of bedrooms you need and will be restricted to the lower of the Local Housing Allowance (LHA) or the under occupancy reduction that may apply to your household.



You will be responsible for paying the difference from your other income.

You will be affected by these changes if...

2016

You sign or renew a tenancy on or after April 1st 2016.



2018

2017

You sign or renew a supported accommodation tenancy, on or after April 1st 2017.



2019

If you are under 35

If you are under 35, single and do not have any dependent children living with you, your Housing Benefit/Housing Costs may be capped at the relevant rate for one bedroom in shared accommodation (The Shared Room Rate or SRR).



However, some single people under the age of 35 may be able to claim the one bedroom LHA rate, including:

- People on the middle or higher rate of Disability Living Allowance (or the Personal Independence Payment equivalent).
- People aged 25-34 that have lived in a hostel for more than three months.
- People that need overnight care.
- Some young people leaving care.

If you are of Pension Credit age

Although you will still be exempt from the under occupancy deduction, if you receive the Housing Costs element of Universal Credit you may be capped at the relevant Local Housing Allowance rate for your household size.



What do I need to do now?

If these changes apply to you, you will need to consider how you will make up the difference between your housing benefit/housing cost element and your rent.



You can work out how many bedrooms you are entitled to by using the LHA bedroom calculator:

<https://lha-direct.voa.gov.uk/BedRoomCalculator.aspx>



Get online to find out the current LHA rates for your household.

<https://lha-direct.voa.gov.uk/search.aspx>

Household Examples

Single person under 35 one bed property



Rent and Service Charge = **£80 a week**
Entitlement = shared rate **£58.82**
Shortfall = **£21.18 a week**

Single person over 35 one bed property



Rent and Service Charge = **£80 a week**
Entitlement = one bed **£84.75**
Shortfall = **£nil**

Adult(s) & two children under 10, 3 bed property



Rent and Service Charge = **£98 a week**
Entitlement = 3 bed rate **£103.56**
Shortfall = **£nil**

Couple (any age) no children 3 bed property



Rent and Service Charge = **£98 a week**
Entitlement = one bed **£84.75**
Shortfall = **£13.25**

For further information and support please contact our Money Advice team.

They will be able to advise you between now and April 2018 to ensure you are able to pay your rent.

Please call 0300 456 2531 to speak to a member of the team.