

Subsidy calculation when the landlord is a registered housing association

Basic info

Housing Benefit for registered housing association accommodation usually attracts 100% government subsidy but there are some exceptions as explained below.

Rent not referred to Rent Officer

The local authority does not normally refer registered housing association rents to the Rent Officer and so in most cases it gets 100% government subsidy irrespective of whether the accommodation is exempt accommodation - the only exception is where the local authority is using housing association accommodation to discharge a homelessness function, in which case see the heading "Temporary homeless accommodation" below.

Rent referred to Rent Officer

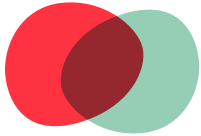
Rarely, the local authority will refer a registered housing association rent to the Rent Officer because in the authority's opinion the rent charged for the accommodation is unreasonably high. What then happens depends on whether the accommodation is exempt accommodation:

- If it is exempt accommodation, the Housing Benefit award is not automatically restricted to the Rent Officer's valuation but 100% subsidy is only paid on benefit up to the level of the CRR with either 60% subsidy or zero subsidy payable on the remainder
 - This acts as a strong disincentive to the local authority referring the rent to the Rent Officer in the first place for exempt accommodation provided by a registered housing association
- If it is not exempt accommodation Housing Benefit is limited to the lower of the CRR and Local Reference Rent and the Council receives 100% subsidy

60% or zero?

The 60% subsidy rate on benefit above the CRR only applies where the local authority has been unable to restrict the rent used in the benefit calculation for either of the following reasons:

- Protected groups (the main reason why rent cannot be restricted in exempt accommodation)
 - The claimant or a member of the claimant's family belongs to one of three protected groups (often referred to by benefit practitioners as the "vulnerable categories") (see below) and
 - Either there is no suitable cheaper accommodation available, or there is but it is unreasonable to expect the claimant to move to it
- Temporary protection (a less common reason why rent cannot be restricted in exempt accommodation)



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- The claimant was able to afford their rent when the liability commenced and it is less than 13 weeks since the start of the benefit award, or
- A member of the family or a relative who lived in the claimant's current dwelling has died within the last 12 months

In all other cases there is zero subsidy from central government on the part of the benefit award above the CRR.

Protected groups

The protected groups (or "vulnerable categories" as practitioners often call them):

- A person who has reached the qualifying age for State Pension Credit
- A person who is officially recognised by the Department for Work and Pensions as being unfit for work - usually such a person will be receiving Employment and Support Allowance
- A person who is responsible for a child or "young person"
 - A "young person" means a teenager who has reached the age of 16 but is still in non-advanced education and regarded as a dependant for Child Benefit purposes

Temporary homeless accommodation

If a local authority uses housing association accommodation, including accommodation leased or licensed from a third party by the housing association, to provide temporary accommodation for homeless people it is possible that the accommodation will also satisfy the definition of "exempt accommodation".

- If the accommodation is both exempt accommodation and temporary homeless accommodation, the exempt accommodation subsidy rules apply (which in turn means the local authority will receive 100% central government subsidy unless it is one of those rare cases where the rent is referred to the Rent Officer)
- If the temporary homeless accommodation is not also exempt accommodation, subsidy is based on the Local Housing Allowance rates that applied in 2011