MRAssociates
Advisers to Supported Housing

T - 01475 727 089
F - 07092 882 002
W - www.mrassociates.org

Kingston House,
3 Jamaica Street, Greenock,
Renfrewshire, PA15 1XX.

Why is exempt accommodation exempt from benefit limits?

Basic info

There are good reasons why exempt accommodation is exempt from benefit limits.

Charitable or voluntary sector tenants

Both the Local Reference Rent and the Local Housing Allowance represent average market rents for various different property sizes. The figures take no account of any special requirements or extra running costs associated with the Housing Benefit/ Universal Credit claimant's need for care, support or supervision. Because the landlord has to cover these costs for the tenancy to remain viable, exempt accommodation status allows the local authority to pay a higher rate of benefit. Examples of special requirements and higher running costs include the following:

- If a tenant has physical disabilities it might be necessary to adapt the accommodation, for example by installing a wetroom or through-lift, or widening doorways to ensure adequate manoeuvring space for a wheelchair
- The accommodation might need to be in a certain location:
  - Secluded so that tenants who exhibit challenging behaviour do not disturb their neighbours
  - Away from busy roads or noisy playgrounds if tenants are very sensitive to noise
  - Easily accessible by wheelchair - not just internally but on the approach to the dwelling
- The property might need expensive fixtures and fittings and equipment:
  - Adjustable hospital-style beds
  - Hoists
  - Cooking and heating appliances that are safe to be used by people with learning disabilities, such as instant-cooling hobs
- Higher repair and maintenance costs associated with:
  - Accidental damage caused by tenants with learning disabilities
  - More rapid wear and tear of furniture caused by prolonged incorrect use (again associated with learning disabilities)
  - Replacing items stolen by tenants which is a more likely occurrence when providing accommodation to certain client groups

Registered housing association tenants

A key policy intention behind the Maximum Rent (Social Sector), or "bedroom tax", is to encourage tenants with spare bedrooms to consider moving to smaller accommodation. But the government recognises that there are likely to be good reasons why a person living in exempt accommodation might have an extra bedroom, including:

- Overnight visits from relatives who might have travelled a long way to visit the tenant
- Storage space for medical supplies or disability-related equipment

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In addition the options that are available to general needs tenants faced with the Maximum Rent (Social Sector) might be unavailable or unsuitable in exempt accommodation:

- Finding employment
- Taking in a lodger

All tenants

The benefit cap can affect working age tenants in any rental market sector: private, voluntary sector or registered housing association. The policy intentions behind the benefit cap include incentivising people to seek work and encouraging people with expensive accommodation to move to a cheaper area. But for the reasons listed above neither of these options may be realistic in exempt accommodation and for good reasons the accommodation may well be more expensive than a general needs tenancy. Exempt accommodation is protected from the benefit cap by excluding Housing Benefit from the benefits that count towards the cap. This means that claimants living in exempt accommodation will very rarely be capped.