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Our Ref: TO/14/01427

Mrs Eirian Roberts  
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22 January 2014

Dear Mrs Roberts

Thank you for your recent correspondence about reforms to Housing Benefit. Government Ministers receive a large volume of correspondence and they are unable to reply personally on every occasion. I have been asked to respond.

Local authority staff are responsible for assessing help with rent, and they can explain the effects of the changes. They can make Discretionary Housing Payments (DHPs) in some circumstances, to people whose benefit falls short of their rent. Payment is at the discretion of the local authority.

Ministers believe it was right to change the previous arrangements, under which people who live in the social rented sector could have their rents met in full from Housing Benefit whether or not they under-occupied their homes. This was no longer considered sustainable and Housing Benefit for working-age tenants in the social rented sector is now being restricted. These restrictions apply where people live in a property that is too large for their needs.

Without immediate reform, the Housing Benefit bill would have exceeded £25 billion by 2015. Ministers felt it essential to act quickly to bring it under control. However as well as helping to contain growing Housing Benefit expenditure, this change should encourage mobility within the social rented sector, making better use of available social housing.

Ministers believe that we need to do everything possible to improve the way we use the social housing stock. There are widespread mismatches between household size and size of accommodation. Benefits have been subsidising nearly one million extra bedrooms for people under-occupying their accommodation, at a time when there are over a quarter of a million households living in overcrowded conditions in the social rented sector. Ministers have a comprehensive strategy in place to increase the numbers of new homes for rent. The Government is investing more funding in this. The strategy will help deliver up to 170,000 affordable homes by 2015 for rent and affordable ownership.

When working out the size of property for Housing Benefit purposes, the criteria take account of the number of people who occupy the dwelling as their home, their ages and the composition of the household. Changes in the household make-up will take immediate effect except where a relative living in the home dies. In these cases, legislation allows a 12-month period where the rent is met in full or continues to be met at the previous level.

Amending regulations have clarified the size criteria rules for two specific groups. First, people who are approved foster carers will be allowed an additional room, where the conditions are satisfied. Second, the size criteria rules will not be applied to a room normally occupied by a member of the Armed Forces provided they intend to return home. Ministers have agreed improved arrangements through these regulations which put these protections beyond doubt. With regard to people with disabilities, the determination of whether disability requires a tenant to have an extra bedroom is a matter for the local authority to decide, with the help of guidance issued by this Department.

Ministers are aware of the impact that the changes may have on some other groups. They had already announced an additional £25 million for the DHP budget from 2013/14, but on 30 July 2013 they announced further funding to help those affected by the Housing Benefit changes. Further, in his Autumn Statement on 5 December 2013, the Chancellor confirmed £40 million of additional DHP expenditure in both 2014/15 and 2015/16. Guidance to local authorities has emphasised that DHPs remain available for priority groups, potentially including those people whose homes have had significant disability adaptations.

These extra amounts come on top of the £190 million already set aside over the Spending Review period to help local authorities implement the Housing Benefit reforms, which included an extra £130 million for DHPs. Local decision-makers are better placed to make informed judgements about relative priorities and needs and to target limited resources more effectively.

Ministers have made a commitment to monitor this reform closely, and the extra funding forms a part of that. The measures are being monitored and evaluated over a two-year period. Initial findings will be available before the end of 2014 and the final report in late 2015. The evaluation will include small-scale, independent primary research with a range of local authorities, social landlords and voluntary organisations. As part of the research, officials will look at supply issues, rural factors and people unable to share rooms. Where possible, it will also consider people's financial circumstances, social networks and family life.

As part of their role in assessing Housing Benefit, local authority staff will be able to advise on the amounts that can be paid in individual cases.

Yours sincerely

Ministerial Correspondence Team