SIZE CRITERIA – THE BEDROOM TAX

Louise Freeth  FIRRV
Change and Service Development Manager - Liberata
• Aims
• When is someone a pensioner?
• When can a child share a bedroom?
• When is a bedroom not a bedroom?
• The first successful appeal?
• Impact of disputes
• The bigger picture
• Early findings.
A REMINDER OF THE AIMS

• Contain growing HB expenditure
• Encourage greater mobility within the social rented sector
• Make better use of available social housing stock
• Improve work incentives for working age claimants

ACHIEVED BY:
SI 3040/2012 – 3rd December 2012
SI 665/2013 – 21st March 2013

Social Sector Size Criteria

The Bedroom Tax
Iain Duncan Smith - “innately political and indeed factually wrong”

The Spare Room Subsidy
WHEN IS SOMEONE A PENSIONER?

Pensionable age is defined by State Pension Credit Act 2002:

“in the case of a woman, pensionable age, and in the case of a man, the age which is pensionable age in the case of a woman born on the same day as a man”.

Estimated currently to be 61 in April 2013 to rise steadily until equalisation with men is reached in 2018.

Couples:
• Currently treated under Pensionable Age regulations where one is of Pensionable Age.
• Intention that this will be amended, by October 2013, to treat under working age regulations unless both are of Pensionable Age.
• Likely to be transitional protection for existing customers.

Q: When is someone of pensionable age not treated as a pensioner?
A: For CT Reduction: when they, or their partner, are receiving Income Support, Jobseekers Allowance (IB) or Employment Support Allowance (IR).
A: For the size criteria: when they reach pensionable age.
WHEN CAN A CHILD SHARE A BEDROOM?

• Aged under 10 (opposite gender)

• Aged under 16 (same gender)

• When they are part of a joint tenant household

• Disabled children – LA decision

• Foster children - Never unless
  • With other foster children irrespective of age and gender;
  • The property does not contain an additional bedroom.
  • They even get a bedroom before they arrive!
WHEN IS A BEDROOM NOT A BEDROOM?

Option A: When it doesn’t conform to the DWP definition.

Option B: The 1985 Housing Act - anything under 50sq feet is not to be counted as a room someone could be expected to sleep in, and anything under 70sq feet should only be for 0.5 of a person (a child under 10 in layman's terms).

Option C: The Education (School Premises) Regulations 1999 – a bedroom for a single pupil shall be of a floor area not less that 6.0m.

Option D: The Rent Officer’s Handbook – at least a small single bed will fit into it, and in most cases it will have a window. Unlikely to be smaller than 2m by 2m.

Option E: When the door is locked/bricked up.

Option F: When the landlord says it is.
Option G: When the LA says it is.

Opinion of Jonathan Mitchell QC.

Oxford English Dictionary: “a room used or intended to contain a bed or beds; a sleeping apartment”

• The design and intended use of the property; and
• Its actual use by its actual occupiers

• Possible Loophole?
• Disabled adults using rooms for:
  • Therapy
  • Storing medical equipment
  • Undertaking medical procedures
THE FIRST SUCCESSFUL APPEAL?

• A 3 bedroomed property with only 2 bedrooms.

• Property re-classified.

• Dispute / Reconsideration / Appeal?
THE IMPACT OF “DISPUTES”.

Various toolkits available on-line:

- Explain your approach to classifying what is a “bedroom”
- A copy of the Council’s policy and decision-making procedures in this regard
- A full explanation of how the council decided that (x) was determined to be a (x) bedroom property
- The role my landlord played in this process and copies of all relevant correspondence

- I need the room to meet my parental responsibilities
- I live with a disabled person
- I have a small galley-style kitchen

DWP Impact Assessment suggests 20,000 appeals at a cost of £4m nationally.
THE BIGGER PICTURE

Local Authorities:
• Increased costs of administration – disputes, DHPs, changes in circumstances, fraud/error…..
• Re-designation: whose decision, effective dates, rent changes, subsidy implications, requirement to refer to rent officer?
• Intentionally homeless?

Tenants:
• A myriad of options, some with unintended consequences
• Coping with arrears, door-step lending……..

Landlords:
• A matter of mathematics – average annual reduction is £676 vs costs of collection, enforcing non-payment, incentivising downsizing, supporting tenants through the options……..
• Re-designation – loan leverage, loss of revenue, non-benefit tenants.
• Lettings policies
• To evict or not?

Central Government.
• DWP – “wait and see”.
• Judicial challenge
• Reduced or increased HB costs?
EARLY FINDINGS OR LIES, DAMNED LIES AND STATISTICS......

**NHF** research increase of £143m a year
- 46% tenants do not intend to move
- 180,000 households under-occupying two-bedroom properties
- 85,000 one-bedroom properties available per year

**A London Borough:**
- 560 families affected
- 19 have moved to smaller accommodation (3.4%)
- No-one has taken in a lodger
- 541 tenants faced with a shortfall of £18 or £34 per week

**Northern Ireland:**
- £17m cut from the benefit bill
- £21m to implement
- £6.4m cost to RSLs including the cost of collection, managing tenancies (£10m a year direct cost to NIHE alone)

**Scotland:** worst hit by *overall* reforms.
THE MEDIA

Can you really afford Sky, cigarettes, bingo, drinks and other non-essentials? If your benefit is being cut and you want to keep your home you have to make up the difference. Non-essential items won't matter if you lose your home. Start budgeting now - we can help you do this, call us!

Bedroom Tax Song: “You Cannae Have A Spare Room in a Pokey Council Flat, Ian Duncan Smith and his lot have put an end to that!”
Thank you.

Questions?

Louisefreeth@liberata.com
Conferences and Meetings:
conference@irrv.org.uk or phone 020 7691 8987

Distance Learning:
distancelearning@irrv.org.uk or phone 020 7691 8984

General Enquiries:
enquiries@irrv.org.uk or phone 020 7831 3505

Qualifications and Assessment:
education@irrv.org.uk or phone 020 7691 8979

Policy and Research:
policy@irrv.org.uk or phone 020 7691 8993

Publications:
publications@irrv.org.uk or phone 020 7691 8977

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membership@irrv.org.uk or phone 020 7691 8996

IRRV, 5th Floor
Northumberland House
303-306 High Holborn
London, WC1V 7JZ