

Shared Accommodation Rate (SAR) exemption changes for care leavers.

What is the SAR?

The shared accommodation rate of the Local Housing Allowance (LHA) provides housing support to claimants under 35, who live alone and rent privately and is based on the cost of renting a room in shared accommodation. There are a number of exemptions which allow a claimant to receive the higher self-contained, one-bed rate of the Local Housing Allowance instead of the shared accommodation rate in certain circumstances. There is an existing exemption for care leavers which applies from the age of 18 up to 22.

What is changing?

Care leavers are currently exempt from the shared accommodation rate until they turn 22, we are extending that additional support up to age 25 from 31 May 2021. This enables care leavers who receive either the housing element of Universal Credit or Housing Benefit to receive the higher one-bedroom LHA rate instead of the shared accommodation rate until they turn 25

This change supports continuity of accommodation and gives care leavers an additional 3 years to establish links, build support networks, and find work. It also brings the shared accommodation rate policy in line with wider government policies that offer extended support to care leavers up to the age of 25.

When will the change come into force?

The Housing Benefit and Universal Credit (Care leavers and Homeless) Amendment Regulations 2021 (2021/546) will come into force from Monday 31 May 2021.

What does a care leaver need to do to claim the exemption?

A care leaver will need to let their work coach know when making a new claim for UC or if they are an existing UC claimant update their journal, in order to claim this exemption. If the care leaver receives Housing Benefit, they will need to contact their local authority. While local authorities may choose to identify and contact claimants, they believe to be in scope of the updated exemptions there is no requirement for this.

Does someone need to be living in a 1-bed property to benefit from this exemption?

No. Care leavers under-25 who are in receipt of UC or HB and are eligible for this exemption will be able to claim this higher one-bedroom rate even if they are living in shared accommodation.

Can this exemption be backdated?

No. Care leavers will receive the higher one-bedroom rate once DWP or the local authority are made aware of a young person's situation, and after the implementation of the changes on 31 May.