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Dear Sir or Madam,

**Housing under-occupancy rules: Foster carers, prospective adopters
and prospective special guardians**

As you will be aware, from 1 April 2013, the rules relating to size criteria were extended to individuals living in under-occupied social housing. This brings social housing tenants in line with those living in the private sector, whose housing benefit has been based on household size for a number of years. From this date, a reduction of 14% will apply to the eligible rent if the tenant is under-occupying by one bedroom and 25% if under-occupying by two or more.

For the purposes of housing benefit, foster children are not considered to be part of the carer's household. For this reason no personal allowance is awarded for a foster child if the carer is in receipt of benefits (including housing benefit) and likewise a bedroom was not allocated for use by foster children. The Government had allocated £5m to the Discretionary Housing Payment (DHP) scheme to provide a level of protection to foster carers affected by the removal of the spare room subsidy. However, in response to concerns that DHPs were subject to discretion and may not be permanent, the Government announced on 12th March that legislation would be amended to put that help beyond doubt by allowing one spare bedroom for foster carers, in both private and social sector housing.

The new provision means that foster carers in the private rented sector may see an increase in their housing benefit. For foster carers living in the social rented sector, the impact of the changes will be reduced and, in many cases where the only spare room is used for fostering there will be no reduction in housing benefit at all.

Size criteria rules will, however, continue to apply across both the private and social rented sectors if foster carers have more than one spare room allocated to foster children. In addition, prospective adopters or special guardians who have a spare room available for a child that has not yet arrived may be impacted by this measure until the child moves in. This will also apply to those who are expecting a baby and have a room ready for when the baby arrives. We are asking local authorities to treat people in these circumstances as a priority group when considering claims to the Discretionary Housing Payment fund. Further advice can be found at paragraphs 2.12 to 2.14 of the DHP Guidance accessed via the following link: <http://www.dwp.gov.uk/docs/discretionary-housing-payments-guide.pdf>.

Over the coming two years, the impact of the implementation of the under-occupancy policy including the impact on foster carers, special guardians and adopters will be monitored by the Government.

More information about how the under-occupancy rules affect foster carers can be found at: www.dwp.gov.uk/docs/faqs-foster-carers.pdf.



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