

Key Rural Housing Issues stemming from discussion at the Rural Services APPG on 12 November 2013

Under-occupancy deductions/removal of the spare room subsidy

Proposal: Pursue change of the definition of rural communities used by DWP from the 21 least densely populated local authority areas to all settlements below 3000.

“Normally claimants may find work, increase hours, take in a lodger or ask for higher contributions from family members to mitigate the impact of the removal of the spare room subsidy. These remedies are less readily available to people living in remote or isolated communities because of location and in addition there is a lack of smaller properties to downsize to.”DWP Housing Benefit Urgent Bulletin, HB U4/2013, 30 July 2013.

DWP have already accepted that people living in remote and isolated communities are compromised in their response to the removal of the spare room subsidy and allocated Discretionary Housing Payment accordingly. 21 local authorities will benefit, including 6 district councils in England. However, the same issue exists in many more rural areas and the bar needs to be lowered to ensure that identical issues are addressed in other rural areas. The cost implications of extending the number of rural areas to benefit from this payment are unlikely to be significant. The EFRA Select Committee has recommended that all settlements below 3000 population would be exempt from the policy. This would provide a more consistent and less arbitrary mechanism for ensuring the particular issues associated with rural areas are addressed in a fair manner and would be fully in line with exemptions that already exist in relation to Right to Acquire policy.

This approach would help to maintain local support for Rural Exception Sites policy by:

- ensuring that homes built in close cooperation with communities meet expectations that they are occupied by residents with a close local connection;
- providing sustainable homes which are flexible to meet the needs of the local community now and in the future;
- maintaining and enhancing community support for the development of additional appropriate affordable homes.