

HB+ and HB Family+

Introduction

HB Plus (HB+) and HB Family Plus (HB Family+) are housing initiatives aimed at assisting, respectively, single people and families. Both schemes start from the same premise: if the local private rented sector is going to be genuinely available to people on low incomes then some kind of cash supplement will be needed. The challenge is to design a scheme which:

- is value for money;
- is not open-ended;
- discourages dependency;
- is administratively light; and
- people in need of accommodation will willingly take up.

The following looks in turn at HB+ and HB Family+.

HB+

What is HB+?

HB+ is a cash top-up paid to help a person who is single meet the cost of a privately-rented property in Cambridge, or, if the person chooses, outside of Cambridge. Up to 25 awards of HB+ may be made in a full year.

Who will qualify to apply for HB+?

Two categories of people will qualify, each with a different application route.

Category 1 is:

- single people in supported accommodation and move-on houses¹;
- ready to move on, with low or no support needs;
- are either in work or likely to be in work some time in the 12 months following the award; and
- they are thought likely to remain in accommodation without HB+ assistance after 12 months.

For such people an application will be made by the hostel support worker through the existing HARP² scheme.

¹ Experimentally, we will also consider applications for HB+ for people who are rough sleeping but otherwise meet the criteria. Such applications would be made by Street Outreach Team or by Wintercomfort.

Category 2 is:

- single people to whom the Council owes a housing duty;
- their housing advisor considers they will benefit from the scheme; and
- they are thought likely to remain in accommodation without HB+ assistance after 12 months.

For such people there will be no application process. A housing advisor's recommendation will trigger a referral to a money advisor and then an employment support advisor. The money advisor and employment support advisor will together confirm (or otherwise) the individual's suitability for the scheme. A full overview of the two routes into HB+ can be seen at [Flowchart 1](#).

How will HB+ be paid?

HB+ may be paid directly to the applicant or directly to the landlord. If paid to the applicant, and they are claiming housing benefit (HB) or the housing element of universal credit (UC) **and** the accommodation is in Cambridge, it may be paid as a discretionary housing payment (DHP) by CCC revenues and benefits. If the top-up is paid directly to the landlord or if the accommodation is outside of Cambridge, payment will be made through Town Hall Lettings (THL), the Council's social lettings agency. In either case any HB+ paid may be subject to repayment if any of the conditions of the award are not observed.

How much HB+ can be paid?

The amount of HB+ paid will vary from applicant to applicant. For people under 35 the payment will ensure they can meet the median cost of a room in a shared house in Cambridge. Based on current rent levels³, this cost is £468 a month for a room **exclusive of services** and £563 a calendar month for a room let **inclusive of services**, requiring respectively a top-up of £120 per month and £133 a month. (See Examples 1 and 2 below).

These figures set a ceiling on the amount of top-up which can be paid, but these amounts can be claimed wherever a person chooses to live in the [Cambridge broad rental market area](#) (BRMA), giving a positive incentive for people to seek better-quality accommodation in cheaper parts of the BRMA. If a person chooses to live outside the Cambridge BRMA, THL officers will calculate the median rent for that location and the HB+ top-up will then be calculated according to the same method.

If the accommodation is in Cambridge city, no distinction will be made between people under 35 and people aged 35 or older – the shared room rate will apply in both cases. But

² The hostels allocation and resettlement panel (HARP) makes 40 'A' Band awards each year to existing hostel residents in order to support movement through the hostels. An 'A' Band effectively guarantees a person a social tenancy.

³ Rent levels will be recalculated periodically throughout the year to ensure the top-up remains realistic.

for over-35s choosing self-contained accommodation outside Cambridge the maximum (exclusive of services) level of HB+ (£120) will be paid on top of the one-room local housing allowance (LHA), presently £546.00 a month. (See Example 3). This will provide over-35s with up to £666 a month to spend on rent and give them a positive incentive to seek accommodation in areas where the rent may be more affordable once HB+ payments cease.

If a person is in receipt of partial HB (because, for example, in work) the HB+ top-up will be calculated in the same way as it would be for someone on full HB (i.e. the difference between the LHA and the rent) up to the maximum levels mentioned above. (See Example 4). If someone is earning sufficient that they have no entitlement to HB, a top-up may still be paid up to a point where net income after rent is 150 percent of the (exclusive of services) rental figure (i.e. rent is 40 per cent of net income). Some further work needs to be done to ensure that we are fair and do not disincentivise, but it is suggested that HB+ may be withdrawn at the HB taper rate - £0.65 pence for every £1.00 earned over the level where they cease to be entitled to HB. (It is important to note that that the foregoing concerns how HB+ will be calculated at the point of award. Except in exceptional circumstances, people improving their financial position in the award period will continue to receive the top-up originally calculated).

Can you provide some worked examples?

Example 1: Room in shared house in Cambridge. Applicant in receipt of full HB. Rent £468 a month **exclusive of services**.

Rent	£468 pcm
HB (LHA)	£348 pcm
Shortfall met by HB Plus payment	£120 pcm

Example 2: Room in shared house in Cambridge. Applicant in receipt of full HB. Rent £563 a month **inclusive of services**.

A	Rent	£563 pcm
B	HB (LHA)	£348 pcm
C	Gross shortfall (A-B)	£215 pcm
D	Services not met by HB	£82 pcm
E	Eligible shortfall (C-D)	£133 pcm
F	HB Plus payment	£133 pcm

Example 3: Applicant 35 or over. Applicant in receipt of full HB. Self-contained 1 bedroom flat in Huntingdonshire (Cambridge BRMA). Rent £650 a month.

Rent	£650 pcm
HB (LHA) 1 bedroom rate	£546 pcm
HB Plus payment	£104 pcm

Example 4: Room in shared house in Cambridge. Applicant in receipt of partial HB of £200 a month. Rent £450 a month **exclusive of services**.

A	Rent	£450 pcm
B	Full HB figure (i.e. LHA)	£348 pcm
C	Shortfall if full HB in payment	£102 pcm
D	HB Plus payment	£102 pcm
E	Partial HB	£200 pcm
F	Total CCC support (D+E)	£302 pcm

What will HB+ cost the Council?

As the examples above show, the total cost will vary according to how many people take up the offer, their existing financial circumstances, how soon they can secure accommodation, where the accommodation is located and the rent charged. As an indication of maximum cost (i.e. all 25 awards made at the level shown in Example 2), the total cost in a full year would be:

HB Plus payment per unit per month	£133
Multiplied by 25 units	£ 3,325
Total HB+ annual spend	£39,900

For how long will HB+ be paid?

The top-up will be paid for 12 months, after which a person will be expected to have (a) found employment that will allow them to meet the rent without the top-up; or (b) found cheaper accommodation elsewhere; or (c) have applied for an extension of the top-up for up to a further three months linked to a plan to achieve either (a) or (b) within that period.

Once an award of HB+ is agreed, what happens next?

An award of HB+ is, in effect, a guarantee that if a person finds a property within the scope of the award they will be assisted to meet the rent in full for a year, subject to them continuing to meet the scheme conditions. An award letter will outline these conditions and the applicant will sign to agree. An award may be withdrawn after three months if it hasn't been made use of.

An applicant coming to HB+ through the HARP route will be expected to find their own accommodation, with support as necessary from their keyworker, THL, the single homelessness service (SHS) and other support services. As part of the development work for the service, THL will run workshops for support workers and the scheme will be promoted to local landlords and lettings agencies. The award notification will contain general advice about the private-rented sector, what to look for, and where to look. An applicant referred to the scheme by a housing advisor (and who therefore will have no keyworker) will be referred to the SHS and the application progressed in the same way as other SHS referrals, including assistance from the SHS rapid response officer.

THL may be asked to view any accommodation found to ensure it meets a good lettable standard and is fair value for the rent paid.

THL will arrange for any rent in advance or rent deposit to be claimed through the [Access Scheme](#). This will be a loan which may be repaid over up to 22 months (longer in exceptional cases).

A flowchart summarising the HB+ application process can be found [here](#).

HB Family+

What is HB Family+?

HB Family+ is a cash top-up to help a family meet the cost of a suitable privately-rented property.

HB Family+ may be paid as a discretionary housing payment (DHP) by CCC revenues and benefits if the applicant is claiming housing benefit (HB) or the housing element of universal credit (UC) and the accommodation is in Cambridge. If the applicant is not in receipt of HB or UC or the accommodation is not in Cambridge then the payment will be made by Town Hall Lettings, mirroring the current direct payment process THL uses for its contracted landlords. As should become clear later, this last is the more likely situation.

The award will continue to be paid for up to two years, with discretion to pay for longer in exceptional circumstances. Up to 25 awards of HB Family+ may be made in a full year.

Who will qualify for HB Family+?

Any family to whom the Council owes a housing duty under the Housing Act 1996 and, from 1 April 2018, the 1996 Act as amended by the Homelessness Reduction Act (HRA) when from which point the award may be made for any element from homeless prevention through to discharge of duty, as the housing advisor sees fit.

Suitable households for HB Family+ support would be those where at least one adult family member is in work or is likely to become employed early in the award period, and where

there is a good prospect of increasing household income to a point where the rent can be met without HB Family+ assistance at the end of the award period.

How much HB Family+ can be paid?

HB Family+ will provide a top-up of up to £200 a calendar month for a qualifying household. For a household on full housing benefit with a two-bedroom need, this will bring within their affordability range a property costing up to around £830 a month (£628.16 LHA plus HB Family+ top up of £200) and with a three bed need up to around £930 (£729.95 LHA plus £200 HB Family+ top up of £200). This level of subsidy is unlikely to make a home in Cambridge affordable for a household on full benefit but is likely to bring a number of homes in the north and eastern districts of the [Cambridge BRMA](#) into affordability, and also a broad cross section of homes nearest to Cambridge in the Huntingdonshire, Bury St Edmunds, Bedford, and Stevenage and North Hertfordshire BRMAs. Some of these locations (for example, Royston, St Ives, St Neots, Newmarket and Ely) have very good rail and bus transport connections to Cambridge.

How will HB Family+ be calculated?

In cases where a household is in receipt of full housing benefit, HB Family+ will be a flat £200 per calendar month. For households where there is some HB entitlement, the same flat rate £200 will continue to be paid until HB entitlement dips to nil. A family whose net income after the rent is paid is 150 percent or greater of the rent will not qualify for HB Family+.

The Council may exercise its discretion in a case where the rent for a property chosen by a household exceeds the 'LHA plus £200 pcm' formula by a small margin. However, the excess would need to be met entirely by the applicant.

How much will HB Family+ cost the Council?

The cost of HB Family+ will vary according to the household income of the applicant, where the accommodation is located and the rent charged. Assuming all 25 awards are made at the top rate, in a full year the maximum cost will be:

HB Plus payment per unit per month	£200
Multiplied by 25 units	£ 5,000
Total HB+ annual spend	£60,000

How will an application for HB Family+ be made?

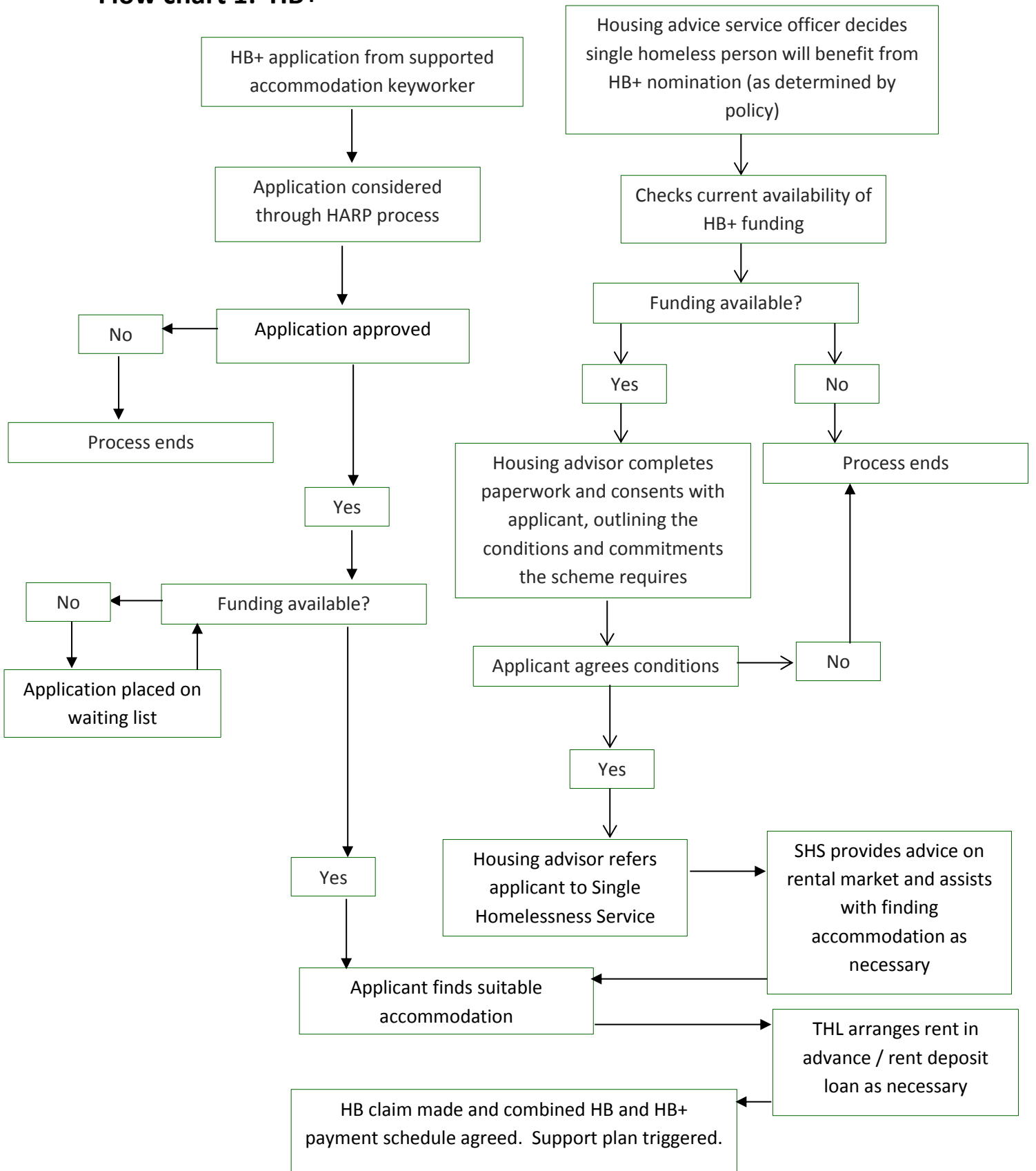
A housing advisor will establish a household's eligibility and initiate the application. (This will form part of a household's personalised plan following the introduction of the HRA).

Once an award of HB Family+ is agreed, what happens next?

Once an award of HB Family+ is agreed, a household is given, in effect, a guarantee that if they find a property within the scope of the award they will be assisted to meet the rent in full. An award notification will set out the conditions under which the award is made and an applicant will sign to agree these. As far as is practicable, a household should be allowed choice in the property they let, and positively encouraged to find their own. Town Hall Lettings will assist with advice about the letting market, and the notification of the award (after 1 April 2018 the HRA personal plan) will contain advice on what to look for and where, housing standards, and tenancy rights.

THL will arrange for any rent in advance or rent deposit to be claimed through the [Access Scheme](#). This will be a loan which may be repaid over up to 22 months (longer in exceptional cases). It may be administratively more efficient to take access scheme loan repayments directly from the HB+ award, but this is a detail that can be worked out as the scheme is developed.

Flow chart 1: HB+



Support

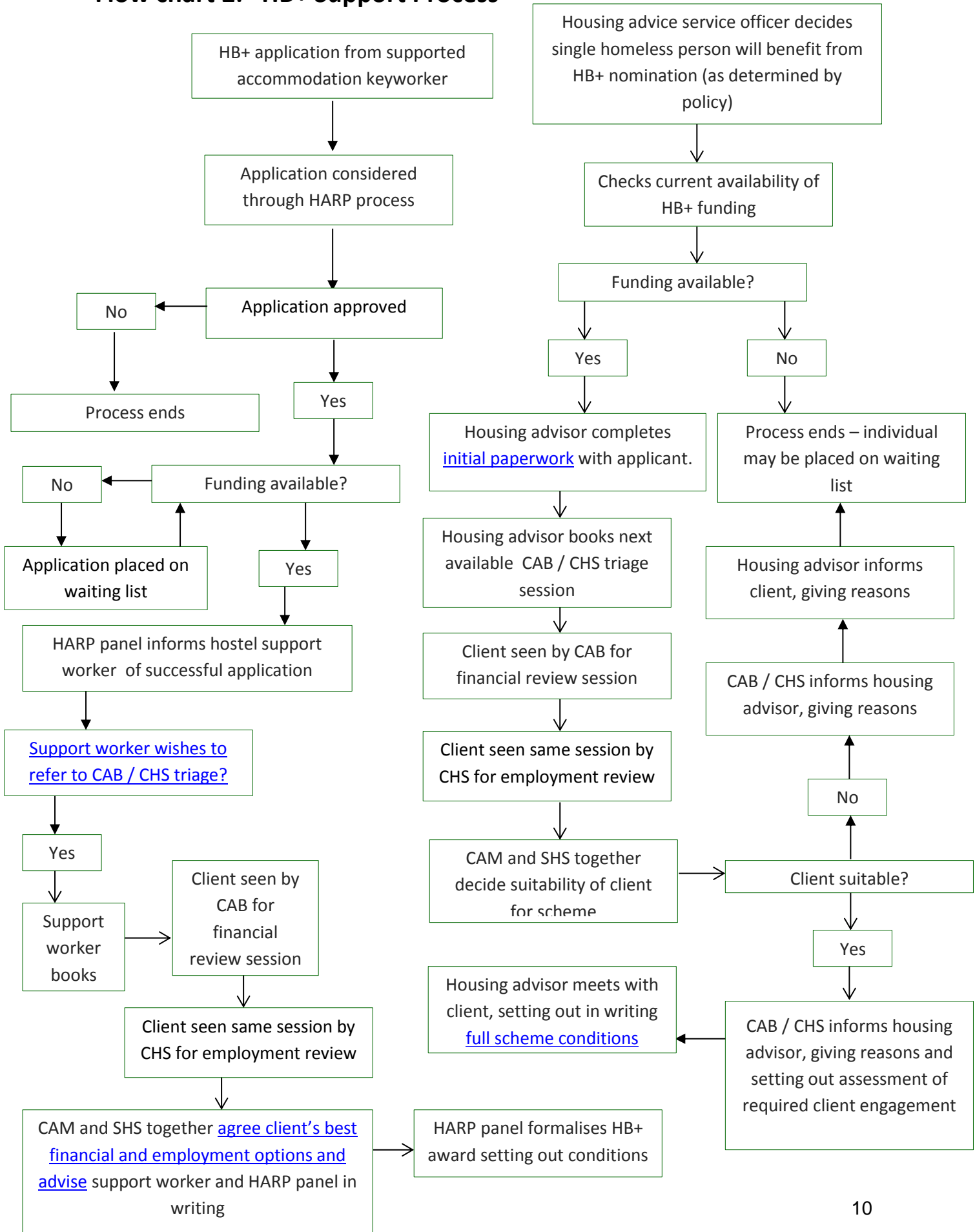
HB+ and HB Family+ is a package of support as well as a cash subsidy, and the amount and type of support offered will vary from person to person. As mentioned, it is envisaged that the majority of HB+ awards will be made to people moving on from supported accommodation and that applications for such people will be through the existing HARP process.

HARP already has a well-established support element with a successful application being conditional in part on the analysis of an applicant's needs and the quality of the necessary support package. This will continue through to HARP applications for HB+. As is also the case with HARP applications, the support worker making the HB+ application will coordinate the applicant's support needs, but in this case working with a wider or different range of support agencies such as Jobcentre Plus, employment advisors at Cambridge Housing Society, the single homelessness service and Town Hall Lettings.

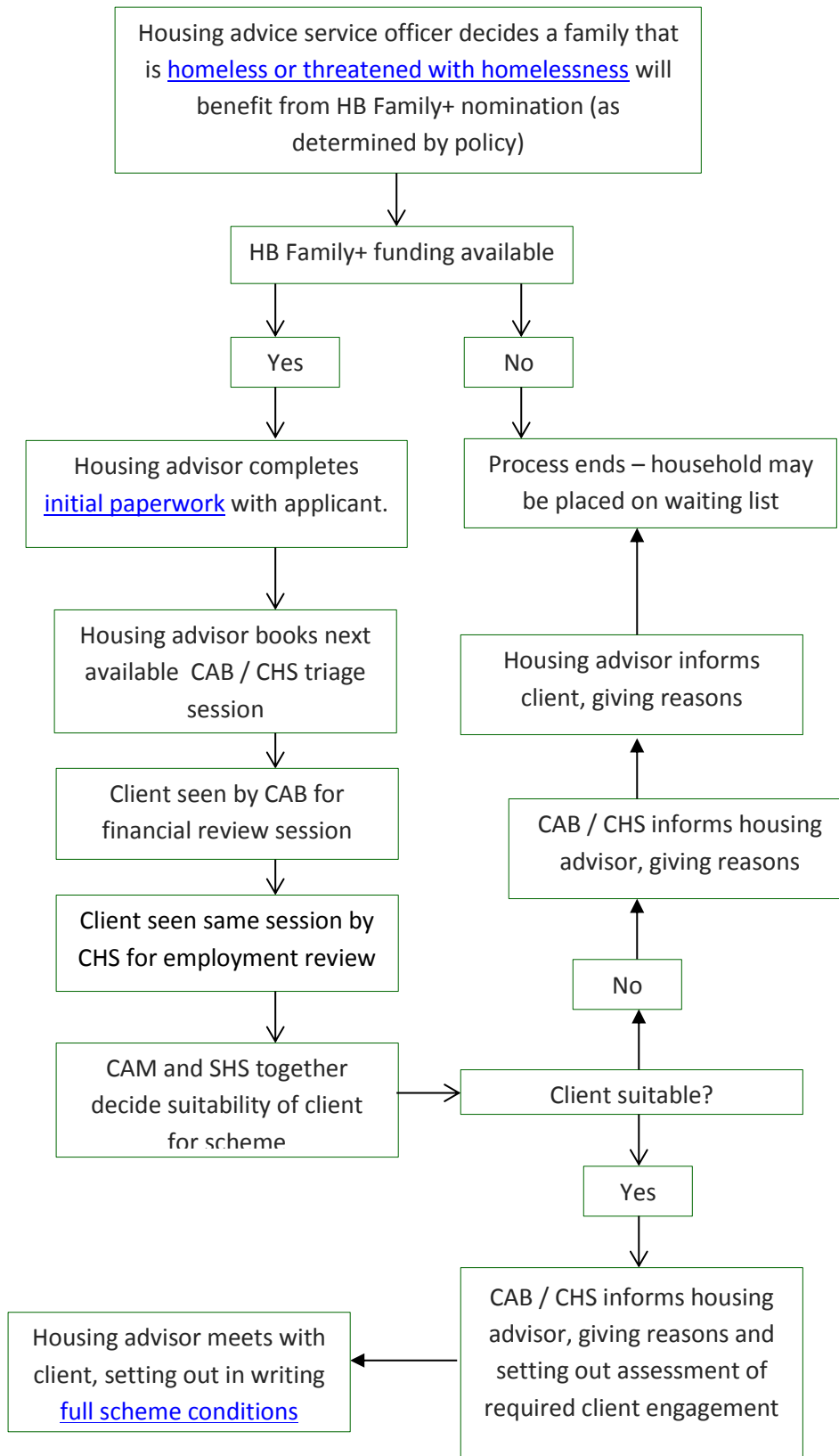
In the case of single people recommended by a housing advisor for HB+, the housing advisor will refer the applicant to a newly-commissioned triage service composed of money advice and income maximisation support provided by Cambridge CAB and employment support advice provided by Cambridge Housing Society's employment support worker. The CAB-CHS triage will need to agree the applicant is suitable for the scheme before the application can be approved. An overview of the HB+ support process is [here](#).

An applicant for HB Family+ should be in work, or ready to start work, or have a reasonable chance of being in work within the lifetime of the award. Their personal support needs should be relatively low. Again, the housing advisor will refer the applicant household to the CAB-CHS triage service and the award will not be made unless the triage service recommends it. An overview of the HB Family+ support process is [here](#).

Flow chart 2: HB+ Support Process



Flow chart 3: HB Family+ Support Process



Notes

1. Initial paperwork will include:

- Outline of scheme conditions
- Consent to share client personal data
- Checklist of documents required for CAB / CHS triage session

2. Full scheme conditions will include:

- Client contract agreeing to carry out actions from personalised housing plan
- Agreement to meet at prescribed intervals with CAB / CHS
- Details of conditions attached to HB+ payment

3. It's anticipated that hostels will refer for HB+ clients who are most ready to move on. Additionally, some hostels arrange their own financial, employment and pre-tenancy support. Accordingly, some hostel residents may not be referred to the triage CAB / CHS service.

4. When the client is in a hostel or move-on accommodation the decision to award HB+ is made by the HARP panel so the CAB / SHS role is advisory.

5. Currently within 28 days. From 9 April 2018 56 days.