The four agency SUPPORTED LODGINGS project May 2011

Providing more than a room

Guide to benefits, tax and insurance
The Four Agency Supported Lodgings Project

The Guide to Benefits, Tax and Insurance is one part of the suite of resources produced by the Four Agency Supported Lodgings Project which was funded by the Department of Communities and Local Government from April 2010 to May 2011. The organisations involved were the Fostering Network, Depaul UK, YMCA England and the National Care Advisory Service.

The Four Agency Project was set up to raise the profile of the Supported Lodgings model and to promote learning and development in the sector. The ultimate aims were to give more young people the opportunity to live in Supported Lodgings in England and maximise the positive impact of the experience on their lives.

The partners worked with existing forums of Supported Lodgings in the South West, North East and North West and brought together new groups in London, the East of England and the West Midlands to inform the development of the following resources:

- national database of schemes
- good practice guide
- guide to benefits, tax and insurance
- learning and development modules for hosts/carers.

The resources are available to be downloaded from the websites of the respective agencies:

- [www.ymca.org.uk](http://www.ymca.org.uk)
- [www.fostering.net](http://www.fostering.net)
- [www.depauluk.org](http://www.depauluk.org)
- [www.leavingcare.org](http://www.leavingcare.org)

Terminology

Those involved with the provision of Supported Lodgings employ a wide range of approaches and language. For the purposes of these resources:

- *host/carer* refers to the householders whose homes young people live in
- *scheme* refers to the agency who manages the Supported Lodgings service
- we have not used the term ‘provider’ because for some this refers to the host/carer and for others to the Supported Lodgings scheme/agency itself.

The *Guide to Benefits, Tax and Insurance* was produced by John Short, Independent Trainer and Consultant, in conjunction with the Four Agency Supported Lodgings Project.
Welfare Benefits Section

Introduction

This section provides information for those managing or establishing Supported Lodgings schemes regarding:

- Housing Benefit entitlements of young people living in Supported Lodgings and the impact of young people’s welfare benefit claims and scheme payments on any welfare benefit entitlements of Supported Lodgings hosts/carers.

The information is correct at the time of publication, however, the rules on benefit entitlement change frequently and it is therefore recommended that Supported Lodgings staff check with the Department for Work and Pensions and welfare advice agencies to ensure they have up to date and correct information. This will be particularly important between 2011 and 2013 given the level of welfare benefit reform and the intended introduction of Universal Credit in 2013 which will replace many of the benefits covered in this section. In addition, and given the varied nature of Supported Lodgings schemes and the circumstances of individual hosts/carers and young people, it is important that specific benefit advice is sought regarding the circumstances of particular young people, hosts/carers and schemes.

The information in this section can also be used by scheme managers regarding the types of benefit guidance to provide to individual Supported Lodgings hosts/carers and what may be helpful to include in the ‘Supported Lodgings Agreement’.

The information in this section does not apply to Staying Put placements – please refer to the DfE, DWP and HMRC “Staying Put” Guidance sheet.

Introduction to Housing Benefit for young people

- Depending on their income and circumstances, young people living in a Supported Lodgings placement are able to claim housing benefit to help with housing costs.

- Eligible and Relevant children (looked after children and care leavers aged 16 and 17) are not entitled to Housing Benefit until their 18th birthday.

- The purpose of Housing Benefit is to help people on low incomes to pay their rent and other housing related charges, so in order to be eligible to claim young people must have a liability to pay rent that is both enforceable and is established on a commercial basis. When considering the commerciality of the arrangement, the local authority (Housing Benefit department) would need to make a judgment on the facts, including being satisfied that the arrangement is not ‘contrived’ and doesn’t include any unenforceable terms.

- In order to be seen to meet these conditions, Supported Lodgings schemes should provide a license agreement setting out the agreement for the young person to live in the host/carer’s home. This agreement will be between the host/carer and young person and can be used to set out the rights and responsibilities of each. This should include all rent and charges payable by the young person broken down into rent, service charges, support costs, and food/meals.
• Supported Lodgings schemes will need to have clear policies on young people’s liability for rent and these should be applied consistently whether or not young people are working. Any differences in the level of rent and charges, or differences in response to non payment, for young people who are in work may put the scheme at risk of a decision by the local authority that its Housing Benefit claims are ‘contrived’.

• In certain circumstances, Supported Lodgings schemes may wish to make payments to young people who, temporarily and due to their vulnerability, are not claiming means tested welfare benefits. A small living allowance can be counted as income when calculating Housing Benefit (technically a young person could have zero income and be awarded Housing Benefit).

• When setting rents and service charges, schemes may find it helpful to familiarise themselves with the rules governing what sort of charges can be covered by Housing Benefit. More information is available at www.dwp.gov.uk/publications/specialist-guides/technical-guidance/rr2-a-guide-to-housing-benefit/ - go to the ‘what you can claim for’ section.

• Housing Benefit regulations contain different methods that might be used for calculating the maximum rent payable by Housing Benefit for Supported Lodgings schemes. According to regulations, which one is used for Supported Lodgings placements will depend on whether meals are provided and whether the young person has previously been in care. Schemes report that Housing Benefit departments do not always apply these different sets of regulations, for example using the Local Housing Allowance framework regardless of whether meals are provided (see below).

Housing benefit for young people where meals are not provided

• Where no meals are provided the method used to calculate the level of Housing Benefit should be the Local Housing Allowance. Rates of Local Housing Allowance are set monthly for each area by the Valuation Office Agency with different rates for different property sizes.

• Young people will normally have their rent met to the Local Housing Allowance Shared Accommodation Rate (SAR) until they reach the age of 25. Former Relevant and qualifying care leavers are exempt from the SAR restriction until their 22nd birthday. Young people who receive a severe disability premium are also exempt from the SAR restriction. From January 2012 the SAR restriction will be extended until the age of 35. Schemes should be aware that charging different rents within the scheme to young people restricted to the Shared Accommodation Rate (Single Room Rate) and those eligible for the one bedroom self-contained rate may result in Housing Benefit Departments concluding that the rent levels are ‘contrived’ to maximise Housing Benefit income.

• To check the Local Housing Allowance rates for your area go to: www.lha-direct.voa.gov.uk
- Where Housing Benefit is paid under the Local Housing Allowance rules, it will normally be paid to the claimant (i.e. the young person). If the Housing Benefit Department considers the claimant to be ‘vulnerable’, the payment can be made direct to the landlord (i.e. host/carer) or Supported Lodgings scheme as an agent for the landlord. However, this will be on a case by case basis unless schemes can reach a agreement to the contrary with their local office. Being previously homeless or looked after, and requiring an ongoing supported environment should help to highlight the continued ‘vulnerability’ of the claimant. Support from the Local Authority Homelessness / Housing Options Department can also be helpful in establishing vulnerability for Housing Benefit purposes.

- The Department for Work and Pensions has produced a ‘Good Practice Guide’ regarding payment of Local Housing Allowance directly to landlords for vulnerable clients: [www.dwp.gov.uk/docs/lha-good-practice-guide.pdf](http://www.dwp.gov.uk/docs/lha-good-practice-guide.pdf). Schemes may find it helpful if they wish to make the case for payments to be made directly to the host/carer or scheme.

Where meals or food are provided

- Where meals are provided, as in some Supported Lodgings arrangements, the housing benefit rules are more involved. The method used to calculate the level of Housing Benefit will be the 1996 Housing Benefit maximum rent rules relating to ‘boarder’ arrangements. This is part of the system that was in place prior to the introduction of Local Housing Allowances and remains in place in certain circumstances.

- The level of Housing Benefit being based on a reasonable rent for a one-bedroom dwelling with meals included (care leavers) or a shared room dwelling with meals included (non-care leavers) which is set by the Local Rent Officer who will provide what is called a Local Reference Rent or a Claim Related Rent for their home. The lowest of these, less an amount for meals, will become the maximum rent used to work out the amount of help given with their rent, until they are aged twenty two (care leavers) when it will be met to the Single Room Rent. For non care leavers the rent will be met to the Single Room Rent from the beginning of the claim.

- In practice both types of claims will be referred to the Valuation Office Agency who will undertake a standard determination and provide an average rent (Local Reference Rent) for the area with meals included. All claims where meals are included will be referred to the VOA, Local Rent Officer and an individual determination undertaken. As such, the Local Reference Rent for both care leavers and non care leavers is likely to be the same, or very similar. The Local Rent Officer will take into account the services provided (including meals) when calculating the Claim Related Rent. A standard deduction of £24.05 (2011-2012) will then be made for meals. The final Housing Benefit award is likely to be close (either slightly higher or lower depending on the area) to the shared accommodation LHA rate.

- Where Housing Benefit will be based on the 1996 maximum rent rules the Rent Officer can provide a Pre-Tenancy Determination in advance to advise the potential claimant how much Housing Benefit will be payable if they rent the room.
• Young People are able to claim Housing Benefit even when their Supported Lodgings host/carer is in receipt of Housing Benefit themselves.

• It is recommended that schemes liaise with Housing Benefit staff to clarify the exact nature of the Housing Benefit claim and which rules apply, develop an understanding of their respective frameworks and formalise joint working arrangements.

Supported Lodgings Hosts/Carers who are in receipt of Means Tested Benefits

• Any payment made to a Supported Lodgings hosts/carer regardless of the source (Supported Lodgings scheme, Children’s Services, Supporting People, contributions from the young person, including Housing Benefit) will be counted as income from a ‘Boarder’ or ‘Sub-Tenant’ where a Supported Lodgings host/carer is in receipt of a means tested benefit. It does not make any difference whether or not the young person is claiming Housing Benefit in their own right. [Note that different rules apply to care leavers ‘Staying Put’ with former foster carers. Where the whole amount is paid by Children’s Services and a commercial arrangement does not apply the whole amount will be disregarded for the purposes of the carer’s means tested claim.]

• The rules will result in a reduction in the amount of any means tested benefits paid to the Supported Lodgings host/carer. They will still be better off financially because they are a Supported Lodgings host/carer, but less so than a supported lodgings host/carer not in receipt of benefits. The rules are more favourable to hosts/carers where meals are provided. [note, the amount of housing benefit paid to the young person may be higher where meals are not included].

Supported Lodgings hosts/carers who are in receipt of Means Tested Benefits where meals are provided

• Where meals (or food) are included in the Supported Lodgings arrangement, all payments to the host/carer regardless of their source will be counted as income under the “Boarder” rules. Under these rules the first £20.00 and 50% of the remainder is disregarded per boarder. For example, if a supported lodgings host/carer receives £170.00 per week, £20.00 and a further £75.00 (50%) is disregarded, therefore the host/carer will be deemed to have a £75.00 per week income from the “Boarder” (supported lodging) arrangement. This arrangement would apply to each young person if two or more young people are in the placement (each Boarder).

Supported Lodgings hosts/carers who are in receipt of Means Tested Benefits where meals are not provided

• Where meals are not involved in the Supported Lodgings arrangement, all payments regardless of their source will be counted as income under the “Sub-Tenant” rules. Under these rules only the first £20.00 per sub-tenant is disregarded. For example, if a supported lodgings host/carer receives £170.00 per week, £20.00 is disregarded, therefore the host/carer will be deemed to have a £150.00 per week income from the “Sub-Tenant” (supported lodging) arrangement. This arrangement would apply to each young person if two, or more are in placement (each Sub-tenant).
Benefit deductions

- If the Supported Lodgings host/carer is in receipt of means tested benefit(s) (including Housing Benefit), the amount over the disregarded or ignored sum (see above - Boarder or Sub-Tenant rules) will be treated as income. The Supported Lodgings host/carer will then have an amount deducted from their means tested benefit(s) according to benefit income rules.

- If the Supported Lodgings host/carer is in receipt of two means tested benefits i.e. Income Support/Jobseekers Allowance and Housing Benefit the deduction made will be from their Income Support/Jobseekers Allowance. If not in receipt of Income Support/Jobseekers Allowance, then the deduction will be from their Housing Benefit. If Income Support/Jobseekers Allowance remains in payment then the Supported Lodgings host/carer is treated as having no income for purposes of the Housing Benefit claim and maximum Housing Benefit would continue to be payable.

- Where the host/carer is over the pension credit age (the pension credit entitlement age is rising from 60 to 65 between 2010 and 2020), more generous disregard rules regarding income from a ‘Boarder’ may apply and should be explored.

- Schemes may wish to seek specialist advice where they have current or potential hosts/carers who are in receipt of means tested benefits because precisely how Supported Lodgings income affects the host/carers benefits, for example which of their benefits are affected, will depend on the circumstances of the host/carer and their household.

- In certain circumstances where a commercial arrangement is deemed not to apply, a non-dependent deduction may be applied to a host/carer who is in receipt of housing benefit.

Council Tax and Council Tax Benefit

- Young people do not have a liability for Council Tax until their eighteenth birthday and a young person aged 16 or 17 will not affect the host/carer’s liability for Council Tax.

- If a young person aged 18 or over is living in a Supported Lodgings household with two or more adults who pay full Council Tax (without help from Council Tax Benefit), the young person will not have any impact on the Council Tax liability. If the young person is claiming benefits they should submit a claim for Council Tax Benefit for administrative purposes.

- Where a Supported Lodgings host/carer is working and in receipt of the 25% single person discount, this discount may continue when a Supported Lodgings young person aged 18 or above is living in the property. If the young person is a student they are counted as ‘invisible’ in regard to the Supported Lodgings host/carer’s 25% discount.
- Where a supported lodgings host/carer is:
  - working
  - and is in receipt of the 25% single person reduction
  - and a Supported Lodgings young person reaches the age of 18, or moves in
  - and they are not counted as ‘invisible’

  It is possible, although unlikely, that a Second Adult Rebate may apply. The Second Adult Rebate, which is variable and dependent on the Council Tax level, is designed to ‘compensate’ people who lose a 25% single-person discount when a low-income person moves in.

- Where a commercial arrangement applies and the Supported Lodgings host/carer is receiving Council Tax Benefit the payment they receive for the Supported Lodgings young person is likely to have an impact on their benefits (see above), including Council Tax Benefit.

- In certain circumstances a young person may be treated as a ‘non-dependent’ for the purposes of the Supported Lodgings hosts/carers Council Tax Benefit. If this is the case there are set amounts of non-dependent deductions that are deducted from Council Tax Benefit according to age, status and income.

- Where young people are working, schemes will need to consider establishing arrangements for them to contribute to the Council Tax.

- Schemes may want to seek local authority or other specialist advice about council tax, particularly where hosts/carers are in receipt of council tax discounts or council tax benefit.
### Quick comparison of LHA and pre-1996 rules HB calculation methods

<table>
<thead>
<tr>
<th></th>
<th>Local Housing Allowance</th>
<th>Pre 1996 Rules - Local Reference Rents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Meals</strong></td>
<td>Applies when no meals provided</td>
<td>Applies when meals or food are provided</td>
</tr>
</tbody>
</table>
| **Amounts**                 | Shared accommodation rate or one bedroom rate if young person exempt from SAR e.g. as a care leaver)  
|                             | Published monthly on the VOA website                                                     | Individual determination based on Local Rent Officer valuation               |
|                             |                                                                                         | Standard meal deduction £24.05                                                 |
| **Who they can be paid to** | Usually paid to the young person, agreements to pay direct to host/carer of scheme may be difficult to reach due to nature of the regulations and will normally only be on a case by case basis | Can be paid to the young person or directly to the host/carer or scheme by agreement (with young person’s consent) |
| **Impact on host/carer’s means tested benefits** | £20 disregarded for the purposes of calculating benefit entitlement                     | £20.00 plus 50% of the reminder disregarded for the purposes of calculating benefit entitlement |
Worked example of the impact of Supported Lodgings payments (from any source) where a Supported Lodgings host/carer is in receipt of any means tested benefits

Supported Lodgings host/carer in receipt of combined means tested benefits amounting to £210.00 per week.

<table>
<thead>
<tr>
<th>Supported Lodgings Type</th>
<th>Supported Lodgings income per week (regardless of source)</th>
<th>Disregarded Supported Lodgings Amount</th>
<th>Impact on Supported Lodgings Carers’ Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£170.00</td>
<td>£20.00 Plus 50% of the remainder (£75.00).</td>
<td>£75.00 of host/carers benefit deducted. Total income now £305 per week (£210 + £170 – £75)</td>
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<tr>
<td>Boarder Arrangement</td>
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<tr>
<td>Meals included</td>
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<tr>
<td></td>
<td></td>
<td>£20.00</td>
<td>£150.00 of host/carers benefit deducted. Total income now £230 per week (£210 + £170 – £150)</td>
</tr>
<tr>
<td>Sub-Tenant Arrangement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meals not included</td>
<td></td>
<td>£20.00</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Combined Income</td>
<td>£380.00</td>
<td></td>
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</tbody>
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Supported Lodgings: Rent a Room and Qualifying Care Relief

Rent a Room

On 6 April 2011, the option for Supported Lodgings schemes [that provide ‘accommodation and a significant degree of care’ to a child [adult]] using the Adult Placement [Shared Lives] tax framework ended.

Therefore the majority of Supported Lodgings schemes are now only covered by the Rent a Room tax scheme. See Help Sheet 236 Tax Year 2010-2011.

The Rent a Room scheme applies to owner occupiers and tenants who receive rent from letting furnished accommodation in their only or main home and can be used by hosts/carers providing Supported Lodgings.

The scheme sets out that:

If gross receipts (before expenses and including any amounts received for meals, goods and services provided, such as cleaning or laundry) and any balancing charges do not exceed £4,250 the host/carer will be exempt from Income Tax or Profit made.

Hosts/carers can however, opt out of Rent a Room, and may want to do this if they have made a loss or a profit.

If a host/carer’s gross receipts are more than £4,250 they can choose between paying tax on their actual profit (gross rents minus actual expenses and capital allowances), or gross receipts (and any balancing charges) minus £4,250 – with no deduction for expenses or capital allowances.

- The £4,250 limit is reduced to £2,125 if during the period the income is shared with someone else who received income from letting accommodation in the same property.
- Supported Lodgings hosts/carers who receive less than £4,250 per year from providing Supported Lodgings are automatically exempt from tax.
- The £4,250 is the limit regardless of the number of placements.
- If a host/carer earns over £4,250 from providing Supported Lodgings they may find it advantageous to register as self-employed and pay tax on the profit they make from letting, worked out in the normal way for a rental business [that is, rents received minus expenses].
- Supported Lodgings hosts/carers who are self-employed may be able to transfer a tax loss from one arrangement to another.
- Supported Lodgings hosts/carers should discuss their situation with their tax adviser [accountant] and local HMRC Office to clarify the arrangement [Rent a Room or self-employment] which best suits their situation.

Qualifying Care Relief

Supported Lodgings hosts/carers are likely to be able to use the HMRC Qualifying Care Relief Income Tax and National Insurance system (for foster carers and Shared Lives carers) if they and their scheme fit the following criteria:

- Carers are assessed in accordance with Schedule 3 (Fostering Services (England) Regulations 2011)
- Carers are approved through a fostering panel
- Carers are located in schemes that apply all the essential fostering regulations that are required to deem the placement a foster placement
- The placements are for looked after children aged 16 and 17 year old
- The placements for looked after children are extended under the Staying Put framework when the young person reaches the age of 18.

If the scheme and individual carer meet the above criteria, in effect the carers may be called a Supported Lodgings host/carer but would be deemed a foster carer or Staying Put carer for tax purposes (if caring for a formerly looked after young person aged 18+ who meets the criteria).

Supported Lodgings staff should check with their legal and policy department and with their local HMRC office to ensure their scheme and placements comply with the necessary requirements.

All foster carers and Staying Put carers (caring for a formerly looked after young person aged 18+ who meets the criteria) should register as self-employed.

The Qualifying Care Relief Guidance sets out that foster carers and Shared Lives carers receive tax exemptions up to a given qualifying amount for each child/young person living with them. The Qualifying Care Relief rate reflects the system and amounts that previously only applied to foster care placement.

HM Revenue and Customs Help Sheet 236 sets out information about both the fostering and Staying Put Income Tax and National insurance framework.
http://www.hmrc.gov.uk/helpsheet/hs236.pdf

The Help Sheet states that if all your receipts from (Supported Lodgings) foster care or Staying Put care in the tax year (the period from 6 April to 5 April) does not exceed the qualifying amount, those receipts will be free from Income Tax for that year. This means that, for tax purposes, carers will be treated as having made no profit or loss from providing ‘Qualifying’ care for that year.

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1 ‘Shared Lives’ includes registered adult placements, Staying Put and kinship care for looked after children

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The qualifying amount consists of two parts which carers should add together:

- an annual fixed amount of £10,000 for each household for 2010 to 2011. If two or more carers within the same household separately receive payments for 'Qualifying' care, the fixed amount should be applied to their combined receipts; or if carers are registered foster carers for less than a full year they can claim an appropriate proportion of the fixed amount.

  plus

- a weekly amount for each fostered/Staying Put young person. For the tax year 2010–2011, the amount is £250 per week for each child aged 11 and over and each young person aged 18 and over.

The qualifying amount does not affect a carer’s personal tax allowance. If their foster/Staying Put care receipts are exempt, the full amount of the personal allowance is available to use against any other income they might have.

The 'Qualifying' exemption does not affect any income that a carer may have from other sources, for example, from employment or from investments. Such other income will be taxed in the normal way.

Supported Lodgings schemes and individual hosts/carers will need to clarify and confirm that their circumstances fit the Qualifying Care Relief scheme parameters if they are to use the 'Qualifying Care Relief' tax system.
Supported Lodgings
Landlord, Mortgage, Household Insurance, Liability and Transport

Introduction
The aim of this section is to provide information for those managing or establishing Supported Lodgings schemes, to assist with the development process, and to act as a guide when producing policies on insurance and liability issues. Scheme managers can also use this section to consider what information they provide to individual Supported Lodgings hosts/carers and what may be helpful to include in the Supported Lodgings Agreement.

Landlord and Mortgage Issues
Schemes should:

- Advise individual hosts/carers to check their tenancy or mortgage documents.
  - Hosts/carers need to speak to their landlord or lender to confirm they can have a Supported Lodgings young person without breaching their tenancy or mortgage agreement. This should be done as part of their preparation for being a host/carer and before a young person moves in. Failure to inform their landlord or lender may place the host/carer in breach of their agreement.

Policies on Insurance
Schemes should:

- Consider developing policies that set out the scheme’s responsibilities and those of the individual host/carer with regard to insurance cover.
  - Schemes may wish to consider the issues set out below in the formulation of their insurance policies.
  - Cover these issues during the prospective hosts’/carers’ assessment and then incorporate them into the Supported Lodgings agreement.

Household Insurance
Schemes should:

- Advise individual hosts/carers to inform their contents and buildings insurance provider that they are providing Supported Lodgings placements to young people.
  - Failure to do so may result in cover becoming void in the case of a claim, even where the claim does not relate to the young person.
• **Encourage prospective hosts/carers to:**
  
  • check their insurance documents regarding any section that covers ‘failure to disclose material facts’
  • consider securing cover for accidental damage of household items
  • consider developing a policy on how they will deal with loss or damage (accidental or malicious) to a host’s/carer’s property that is linked to a Supported Lodgings young person. This should be made clear to prospective hosts/carers as part of the information about what being a host/carer entails.

For example:

• Where items are missing and/or stolen and there is no sign of forced entry it is unlikely that a contents insurance claim will be successful. Will the scheme compensate the host/carer?
• The majority of contents and buildings insurance policies have a compulsory or voluntary excess. Will the scheme cover the householder’s excess in the event of a claim?
• Will the scheme compensate hosts/carers for increased future premiums due to a claim?
• If the scheme does decide to compensate hosts/carers in one or more of the ways above, how will they satisfy themselves that the Supported Lodgings young person was responsible for the loss or damage?

**Information Sharing**

Schemes should:

• **Remind hosts/carers to check whether their mortgage lender or landlord, and insurance companies require specific types of information about young people accommodated in the properties in which they have an interest.**

  • For example, they may want to know if a young person has previously been convicted of particular types of offences such as arson or theft. See good practice guide, information sharing.

**Public Liability and Legal Protection Insurance**

Schemes should:

• **Provide hosts/carers with information to enable them to make an informed decision about whether to buy public liability and legal protection insurance.**

Examples of circumstances when it may be useful include:

• if a young person makes an allegation against the host/carer or their family
• if a young person has an accident in the home.

• **Consider whether they require cover where a host/carer makes a claim for damages against the young person or scheme**

• **Seek specialist advice and guidance regarding the types of insurance and liability cover they and the individual hosts/carers should hold, in order to ensure that they are fully aware of any liability they may have.**
Credit Agreements and Supported Lodgings Young People

Schemes should ensure that house rules and Living Together Agreements cover what financial arrangements young people aged 18 can enter into while living at their host’s/carer’s address. Any financial liability will remain the responsibility of the young person, rather than transferring to the host’s/carer’s address.

However, hosts/carers may be affected if the young person gets into debt. An example of this might be if bailiffs are engaged due to a young person’s liability.

Schemes may find it helpful to provide guidance to hosts/carers in the event of bailiffs arriving at their property.

Transporting Young People

Schemes should:

- Decide whether hosts/carers can transport young people in their own vehicles and under what circumstances.
- Ensure there is a clear policy on expectations and how frequently the scheme will inspect documentation, such as the host’s/carer’s driving license, MOT, road tax and insurance. Schemes will want to ensure that the host’s/carer’s insurance covers them for transporting young people.
[Date]

To whom it may concern

Policy number

I am/We are hosts/carers for [name of scheme] Supported Lodgings scheme. In addition to my/our own family, I/we have other children/young people living in my/our home. Their ages vary considerably.

Please acknowledge receipt of this letter and confirm that, for the purposes of insurance, any young people I am/we are providing support to within my/our home will be regarded as a member of my/our household, and that the public/personal liability clause of my/our policy covers liability arising from their actions.

Yours faithfully