

SCHEDULE 4

Regulation 26(2)

Housing costs element for renters

PART 1

General

Introduction

1.—(1) This Schedule contains provisions about claimants to whom regulation 26(2) applies.

(2) Claimants who fall within sub-paragraph (1) are referred to in this Schedule as “renters” (and references to “joint renters” are to joint claimants to whom regulation 26(2) applies).

(3) Part 2 of this Schedule sets out an exception to section 11(1) of the Act for certain renters in whose case an award of universal credit is not to include an amount of housing costs element calculated under this Schedule.

(4) The following Parts of this Schedule provide for the calculation of the amount of housing costs element to be included under regulation 26(2) in a renter's award of universal credit—

- (a) Part 3 contains general provisions that apply to all calculations, whether under Part 4 or Part 5;
- (b) Part 4 applies in relation to renters who occupy accommodation in the private rented sector or who occupy temporary accommodation; and
- (c) Part 5 applies in relation to renters who occupy accommodation in the social rented sector other than temporary accommodation.

Interpretation

2. In this Schedule—

“exempt accommodation” has the meaning given in paragraph 1 of Schedule 1;

“extended benefit unit” has the meaning given in paragraph 9;

“Housing Act functions” means functions under section 122 of the Housing Act 1996^{M1} (functions of rent officers in connection with universal credit, housing benefit and rent allowance subsidy and housing credit);

“housing cost contribution” has the meaning given in paragraph 13;

“joint renter” has the meaning given in paragraph 1(2);

“listed persons”, in relation to a renter, means—

- (a) the renter;
- (b) where the renter is a member of a couple, the other member of the couple; and
- (c) any child or qualifying young person for whom the renter (or either joint renter) is responsible;

[^{F1}“member of the armed forces” means a member of the regular forces or the reserve forces within the meaning of section 374 of the Armed Forces Act 2006^{M2};

“non-dependant” has the meaning given in paragraph 9(2);

“provider of social housing” means—

- (a) a local authority;

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- (b) a non-profit registered provider of social housing;
 - (c) in relation to accommodation which is social housing, a profit-making registered provider of social housing;
 - (d) a registered social landlord;
- “registered social landlord” means—
- (a) a body which is registered in the register maintained by the Welsh Ministers under Chapter 1 of Part 1 of the Housing Act 1996 ^{M3};
 - (b) a body which is registered in the register maintained by the Scottish Housing Regulator under section 20(1) of the Housing (Scotland) Act 2010 ^{M4};
- “relevant payments” has the meaning given in paragraph 3;
- “the Rent Officers Order 2013” means the Rent Officers (Universal Credit Functions) Order 2013 ^{M5};
- “renter” means a single renter within the meaning of paragraph 1(2) or each of joint renters;
- “renter who requires overnight care” is to be understood in accordance with paragraph 12(3) to (5);
- “shared accommodation” has the meaning given in paragraph 27;
- “social housing” has the meaning given in sections 68 to 77 of the Housing and Regeneration Act 2008 ^{M6}.

Textual Amendments

- F1** Words in Sch. 4 para. 2 inserted (29.4.2013) by [The Universal Credit \(Miscellaneous Amendments\) Regulations 2013 \(S.I. 2013/803\)](#), regs. 1, **2(3)(a)**

Marginal Citations

- M1** 1996 c.52. Section 122 was amended by section 127 of, and paragraph 60 of Schedule 7 to, the [Local Government Act 2003 \(c.26\)](#), **section 40** of, and paragraph 12 of Schedule 5 to, and section 67 of, Schedule 8 to, the [Welfare Reform Act 2007 \(c.5\)](#).
- M2** 2006 c.52.
- M3** 1996 c.52. Section 1(1) was amended by section 61(1) and 3 of the [Housing and Regeneration Act 2008 \(c.17\)](#) and paragraph 83 of Schedule 16, and Part 6 of Schedule 18, to the [Government of Wales Act 1998 \(c.38\)](#).
- M4** 2010 (asp 17).
- M5** [S.I. 2013/382](#)
- M6** 2008 c.17.

“Relevant payments” for purposes of this Schedule

- 3.—(1) “Relevant payments” means one or more payments of any of the following descriptions—
- (a) rent payments;
 - (b) service charge payments.
- (2) “Rent payments”, in relation to any calculation under Part 4 or 5 of this Schedule, has the meaning given in paragraph 2 of Schedule 1.
- (3) “Service charge payments”—
- (a) for the purposes of calculations under Part 4 of this Schedule, has the meaning given in paragraph 7 of Schedule 1;

- (b) for the purposes of calculations under Part 5 of this Schedule, is to be understood in accordance with paragraphs 7 and 8 of Schedule 1.

PART 2

Exception to inclusion of housing costs element

No housing costs element for 16 or 17 year old care leavers

4. Section 11(1) of the Act (housing costs) does not apply to any renter who is 16 or 17 years old and is a care leaver.

PART 3

General provisions about calculation of amount of housing costs element for renters

Application of Part 3

5. This Part contains provisions of general application in calculating the amount of a renter's housing costs element under Part 4 or 5 of this Schedule.

Payments taken into account

Relevant payments to be taken into account

- 6.—(1) Where a renter meets the payment condition, liability condition and occupation condition in respect of one or more descriptions of relevant payment, each such description is to be taken into account for the purposes of the calculation under Part 4 or 5 of this Schedule.

(2) No account is to be taken of any amount of a relevant payment to the extent that all of the conditions referred to in sub-paragraph (1) are not met in respect of that amount.

(3) Any particular payment for which a renter is liable is not to be brought into account more than once, whether in relation to the same or a different renter (but this does not prevent different payments of the same description being brought into account in respect of an assessment period).

Relevant payments calculated monthly

7.—(1) Where any relevant payment is to be taken into account under paragraph 6, the amount of that payment is to be calculated as a monthly amount.

(2) Where the period in respect of which a renter is liable to make a relevant payment is not a month, an amount is to be calculated as the monthly equivalent, so for example—

- (a) weekly payments are multiplied by 52 and divided by 12;
- (b) four-weekly payments are multiplied by 13 and divided by 12;
- (c) three-monthly payments are multiplied by 4 and divided by 12; and
- (d) annual payments are divided by 12.

(3) Where a renter is liable for relevant payments under arrangements that provide for one or more rent free periods, the monthly equivalent is to be calculated over 12 months by reference to the total number of relevant payments which the renter is liable to make in that 12 month period.

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(4) “Rent free period” means any period in respect of which the renter has no liability to make one or more of the relevant payments which are to be taken into account under paragraph 6.

Room allocation

Size criteria applicable to the extended benefit unit of all renters

8.—(1) In calculating the amount of the renter's housing costs element under Part 4 or 5 of this Schedule, a determination is to be made in accordance with the provisions referred to in sub-paragraph (2) as to the category of accommodation which it is reasonable for the renter to occupy, having regard to the number of persons who are members of the renter's extended benefit unit (see paragraph 9).

(2) The provisions referred to in this sub-paragraph are the following provisions of this Schedule—

- (a) in respect of a calculation under Part 4, paragraphs 9 to 12 and 26 to 29;
- (b) in respect of a calculation under Part 5, paragraphs 9 to 12.

Extended benefit unit of a renter for purposes of this Schedule

9.—(1) For the purposes of this Schedule, the members of a renter's extended benefit unit are—

- (a) the renter (or joint renters);
- (b) any child or qualifying young person for whom the renter or either joint renter is responsible; and
- (c) any person who is a non-dependant.

(2) A person is a non-dependant if the person lives in the accommodation with the renter (or joint renters) and is none of the following—

- (a) a person within sub-paragraph (1)(a) or (b);
- (b) where the renter is a member of a couple claiming as a single person, the other member of the couple;
- (c) a foster child;
- (d) a person who is liable to make payments on a commercial basis in respect of the person's occupation of the accommodation (whether to the renter, joint renters or another person);
- (e) a person to whom the liability to make relevant payments is owed or a member of their household;
- (f) a person who has already been treated as a non-dependant in relation to a claim for universal credit by another person liable to make relevant payments in respect of the accommodation occupied by the renter.

(3) “Foster child” means a child in relation to whom the renter (or either joint renter) is a foster parent.

Number of bedrooms to which a renter is entitled

10.—(1) A renter is entitled to one bedroom for each of the following categories of persons in their extended benefit unit—

- (a) the renter (or joint renters);
- (b) a qualifying young person for whom the renter or either joint renter is responsible;
- (c) a non-dependant who is not a child;

- (d) two children who are under 10 years old;
 - (e) two children of the same sex;
 - (f) any other child.
- (2) A member of the extended benefit unit to whom two or more of the descriptions in sub-paragraph (1) apply is to be allotted to whichever description results in the renter being entitled to the fewest bedrooms.
- (3) In determining the number of bedrooms to which a renter is entitled, the following must also be taken into account—
- (a) the provisions of paragraph 11 as to treatment of periods of temporary absence of members of the renter's extended benefit unit;
 - (b) any entitlement to an additional bedroom in accordance with paragraph 12;
 - (c) for the purpose of any calculation under Part 4 of this Schedule, the additional requirements in paragraphs 26 to 29.

Temporary absence of member of renter's extended benefit unit

11.—(1) A member of the renter's extended benefit unit who is temporarily absent from the accommodation occupied by the renter is to be included in a determination of the number of bedrooms to which the renter is entitled (“relevant determination”) in the circumstances specified in sub-paragraphs (2) to (4).

(2) In the case of a child or qualifying young person, the circumstances specified in this sub-paragraph are that the relevant determination relates to any time—

- (a) during the first 6 months of the absence of a child or qualifying young person for whom the renter is treated as not being responsible in accordance with regulation 4(6)(a) (child or qualifying young person looked after by local authority) where, immediately before the local authority started looking after them, the child or qualifying young person was included in the renter's extended benefit unit and the renter's award included the housing costs element;
- (b) during the first 6 months of the absence of a child or qualifying young person for whom the renter is treated as not being responsible in accordance with regulation 4(6)(b) (child or qualifying young person is a prisoner) where—
 - (i) immediately before becoming a prisoner, the child or qualifying young person was included in the renter's extended benefit unit and the renter's award included the housing costs element, and
 - (ii) the child or qualifying young person has not been sentenced to a term in custody that is expected to extend beyond that 6 months; or
- (c) before the renter or joint renter ceases to be responsible for a temporarily absent child or qualifying young person in accordance with regulation 4(7) (absence exceeding specified duration).

(3) In the case of a renter, the circumstances specified in this sub-paragraph are that the relevant determination relates to any time when—

- (a) the temporary absence from Great Britain of the renter is disregarded in accordance with regulation 11(1) or (2); or
- (b) the renter is a prisoner to whom regulation 19(2) (existing award includes housing costs when person becomes a prisoner) applies.

(4) In the case of a non-dependant, the circumstances specified in this sub-paragraph are that—

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- (a) the relevant determination relates to any time during a period specified in sub-paragraph (5); and
 - (b) immediately before the start of that period, the non-dependant was included in the renter's extended benefit unit and ^{F2}, in the circumstances specified in sub-paragraph (5) (a) to (c),] the renter's award included the housing costs element.
- (5) The specified periods are—
- (a) the first month of the non-dependant's temporary absence from Great Britain and, if the circumstances of the non-dependant are such as would be disregarded for the purposes of regulation 11(2) (death of a close relative), a further one month;
 - (b) the first 6 months of the non-dependant's temporary absence from Great Britain in the circumstances described in regulation 11(3)(a) (absence solely in connection with treatment for illness or physical or mental impairment);
 - (c) the first 6 months that the non-dependant is a prisoner where the non-dependant has not been sentenced to a term in custody that is expected to extend beyond that 6 months.
 - ^{F3}(d) any period during which a non-dependant who is the son, daughter, step-son or step-daughter of a renter or joint renters is a member of the armed forces away on operations.]
- (6) Any non-dependant who is temporarily absent from the accommodation occupied by the renter in circumstances other than those specified in sub-paragraphs (4) and (5) is not to be treated as being a member of the renter's extended benefit unit if that absence exceeds, or is expected to exceed, 6 months.

Textual Amendments

- F2** Words in Sch. 4 para. 11(4)(b) inserted (29.4.2013) by [The Universal Credit \(Miscellaneous Amendments\) Regulations 2013 \(S.I. 2013/803\)](#), regs. 1, **2(3)(b)(i)**
- F3** Sch. 4 para. 11(5)(d) inserted (29.4.2013) by [The Universal Credit \(Miscellaneous Amendments\) Regulations 2013 \(S.I. 2013/803\)](#), regs. 1, **2(3)(b)(ii)**

Additional room ^{M7} . . .

12.—(1) A renter who is a single person is entitled to one additional bedroom if the renter requires overnight care.

(2) Joint renters are entitled to one additional bedroom if one or both of them requires overnight care.

(3) A renter requires overnight care if the first and second conditions are met.

(4) The first condition is that the renter is in receipt of—

- (a) the care component of disability living allowance at the middle or highest rate;
- (b) attendance allowance; or
- (c) the daily living component of personal independence payment.

(5) The second condition is that—

- (a) one or more persons who do not live in the renter's accommodation are engaged to provide overnight care for the renter and to stay overnight at the accommodation on a regular basis; and
- (b) overnight care is provided under arrangements entered into for that purpose.

^{M8}(6) A renter who is a single person is entitled to one additional bedroom if the renter is—

- (a) a foster parent; or

(b) an adopter with whom a child has been placed for adoption;
and joint renters are entitled to one additional bedroom if one or both of them is a person described in paragraph (a) or (b).

(7) For the purposes of sub-paragraph (6) “foster parent” includes a person who would be a foster parent but for the fact that they do not currently have any child placed with them, provided that any period since the date when their last placement ended (or, if they have not yet had a child placed with them, since the date when they were approved to be a foster parent) does not exceed 12 months.

(8) In a case where a renter or joint renters would be entitled to an additional bedroom by virtue of sub-paragraph (1) or (2) and by virtue of sub-paragraph (6) they are entitled to two additional bedrooms.]

Marginal Citations

- M7** Words in Sch. 4 para. 12 heading omitted (29.4.2013) by virtue of [The Universal Credit \(Miscellaneous Amendments\) Regulations 2013 \(S.I. 2013/803\)](#), regs. 1, **2(3)(c)**
- M8** Sch. 4 para. 12(6)-(8) added (29.4.2013) by [The Universal Credit \(Miscellaneous Amendments\) Regulations 2013 \(S.I. 2013/803\)](#), regs. 1, **2(3)(d)**

Housing cost contributions

Housing cost contributions

13.—(1) In calculating the amount of the housing costs element under Part 4 or 5 of this Schedule, a deduction is to be made in respect of each non-dependant who is a member of the renter's extended benefit unit.

(2) Paragraph (1) is subject to paragraphs 15 and 16.

(3) Any amount to be deducted under sub-paragraph (1) is referred to in this Schedule as a “housing cost contribution”.

Amount of housing cost contributions

14.—(1) The amount of each housing cost contribution to be deducted under paragraph 13 is £68.

(2) Deductions are not to be made until the amount has been determined which results from all other steps in the calculation required in relation to the renter under Parts 4 and 5 of this Schedule.

(3) Where the sum of all the housing cost contributions to be deducted in the renter's case exceeds the amount referred to in sub-paragraph (2)—

- (a) the amount determined under this Schedule is to be reduced to nil; but
- (b) no further reduction in respect of housing cost contributions is to be made from the renter's award.

Exempt renters

15.—(1) No deduction is to be made under paragraph 13 in the case of—

- (a) any renter who is a single person to whom sub-paragraph (2) applies; or
- (b) any joint renter where at least one joint renter is a person to whom sub-paragraph (2) applies.

(2) This sub-paragraph applies to—

- (a) a person who is registered as blind;

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- (b) a person in receipt of the care component of disability living allowance at the middle or highest rate;
- (c) a person in receipt of attendance allowance;
- (d) a person in receipt of the daily living component of personal independence payment;
- (e) a person who is entitled to a payment within paragraph (b), (c) or (d) but is not receiving it under, as the case may be—
 - (i) regulation 8 of the Social Security (Disability Living Allowance) Regulations 1991^{M9},
 - (ii) regulation 6 of the Social Security (Attendance Allowance) Regulations 1991^{M10},
 - (iii) regulation 21 of the Social Security (General Benefit) Regulations 1982^{M11}, or
 - (iv) regulations under section 86 of the Act (payment of personal independence payment while a person is a hospital in-patient).

Marginal Citations

M9 S.I. 1991/2890.

M10 S.I. 1991/2740.

M11 S.I. 1982/1408.

No deduction for housing cost contributions in respect of certain non-dependants

16.—(1) No deduction is to be made under paragraph 13 in respect of any non-dependant who is a member of the renter's extended benefit unit to whom sub-paragraph (2) applies.

(2) This sub-paragraph applies to—

- (a) a person who is under 21 years old;
- (b) a person in receipt of state pension credit;
- (c) a person in receipt of the care component of disability living allowance at the middle or highest rate;
- (d) a person in receipt of attendance allowance;
- (e) a person in receipt of the daily living component of personal independence payment;
- (f) a person who is entitled to a payment within paragraph (c), (d) or (e) but is not receiving it under, as the case may be—
 - (i) regulation 8 of the Social Security (Disability Living Allowance) Regulations 1991,
 - (ii) regulation 6 of the Social Security (Attendance Allowance) Regulations 1991,
 - (iii) regulation 21 of the Social Security (General Benefit) Regulations 1982, or
 - (iv) regulations under section 86 of the Act (payment of personal independence payment while a person is a hospital in-patient);
- (g) a person in receipt of carer's allowance;
- (h) a person who is a prisoner;
- (i) a person who is responsible for a child under 5 years old.
- ^{F4}(j) a person who is a member of the armed forces away on operations who—
 - (i) is the son, daughter, step-son or step-daughter of a renter or joint renters, and

- (ii) resided with the renter or joint renters immediately before leaving to go on operations and intends to return to reside with the renter or joint renters at the end of the operations.]

Textual Amendments

- F4** Sch. 4 para. 16(2)(j) inserted (29.4.2013) by [The Universal Credit \(Miscellaneous Amendments\) Regulations 2013 \(S.I. 2013/803\)](#), regs. 1, **2(3)(e)**

Calculations involving more than one accommodation

Single calculation for renter treated as occupying single accommodation

17.—(1) This paragraph applies to any renter where, under paragraph 4 of Schedule 3 (claimant housed in two dwellings by provider of social housing), two dwellings (“accommodation A” and “accommodation B”) occupied by a renter are treated as the single accommodation in respect of which the renter meets the occupation condition.

(2) The amount of the renter's housing costs element is to be determined by a single calculation in respect of accommodation A and accommodation B as if they were one, taking account of—

- (a) all relevant payments in respect of accommodation A and all relevant payments in respect of accommodation B; and
 - (b) the total number of bedrooms in accommodation A and accommodation B taken together.
- (3) The single calculation is to be made under Part 5 of this Schedule in any case where—
- (a) the renter's liability to make rent payments in respect of accommodation A and accommodation B is to a provider of social housing; and
 - (b) neither accommodation A nor accommodation B is temporary accommodation within the meaning of paragraph 21.

(4) In any other case, the single calculation is to be made under Part 4 of this Schedule.

Calculation where move to new accommodation delayed for adaptations for disabled person

18.—(1) Sub-paragraph (2) applies to any renter where, under paragraph 5 of Schedule 3 (moving home: adaptations to new home for disabled person), the renter meets the occupation condition in respect of both the new accommodation and the old accommodation.

(2) The amount of the renter's housing costs element under this Schedule is to be calculated as follows.

Step 1

Calculate an amount in accordance with Part 4 or Part 5 of this Schedule (as the case may be) in respect of both—

- (a) (a) the new accommodation; and
- (b) (b) the old accommodation.

Step 2

Add together the amounts determined in step 1.

Step 3

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If a deduction was made for housing cost contributions in respect of both the new accommodation and the old accommodation, take the amount of the housing costs contributions deducted in respect of the new accommodation and add that to the amount resulting from step 2.

(3) In this paragraph, references to “the new accommodation” and “the old accommodation” are to be understood in accordance with paragraph 5 of Schedule 3.

Calculation where renter moves out because of reasonable fear of violence

19.—(1) Sub-paragraph (2) applies to any renter where, under paragraph 6(2) of Schedule 3 (claimant living in other accommodation because of reasonable fear of violence), the renter meets the occupation condition in respect of both the home accommodation and the other accommodation.

(2) The amount of the renter's housing costs element under this Schedule is to be calculated as follows.

Step 1

Calculate an amount in accordance with Part 4 or Part 5 of this Schedule (as the case may be) in respect of—

- (a) (a) the home accommodation; and
- (b) (b) the other accommodation.

Step 2

Add together the amounts determined in step 1.

Step 3

If a deduction was made for housing cost contributions in respect of both the home accommodation and the other accommodation—

- (c) (c) determine which accommodation the renter normally occupies as their home; and
- (d) (d) take the amount of the housing costs contributions deducted in respect of the accommodation not so occupied and add that to the amount resulting from step 2.

(3) In this paragraph, references to “the home accommodation” and “the other accommodation” are to be understood in accordance with paragraph 6 of Schedule 3.

PART 4

Private rented sector and temporary accommodation

Application of Part 4

20.—(1) This Part applies to—

- (a) renters who are liable to make rent payments to a person other than a provider of social housing; and
- (b) renters who meet the occupation condition in respect of temporary accommodation (see paragraph 21).

(2) Sub-paragraph (1) applies irrespective of whether renters are also liable to make service charge payments.

Meaning of “temporary accommodation”

21.—(1) Accommodation is temporary accommodation for the purposes of paragraph 20(1)(b) if it falls within Case 1 or Case 2.

(2) Case 1 is where—

- (a) rent payments are payable to a local authority;
- (b) the local authority makes the accommodation available to the renter—
 - (i) to discharge any of the local authority's functions under Part 3 of the Housing Act 1985 ^{M12}, Part 7 of the Housing Act 1996 ^{M13} or Part 2 of the Housing (Scotland) Act 1987 ^{M14}, or
 - (ii) to prevent the person being or becoming homeless within the meaning of Part 7 of the Housing Act 1996 or Part 2 of the Housing (Scotland) Act 1987; and
- (c) the accommodation is not exempt accommodation.

(3) Case 2 is where—

- (a) rent payments are payable to a provider of social housing other than a local authority;
- (b) that provider makes the accommodation available to the renter in pursuance of arrangements made with it by a local authority—
 - (i) to discharge any of the local authority's functions under Part 3 of the Housing Act 1985, Part 7 of the Housing Act 1996 or Part 2 of the Housing (Scotland) Act 1987, or
 - (ii) to prevent the renter being or becoming homeless within the meaning of Part 7 of the Housing Act 1996 or Part 2 of the Housing (Scotland) Act 1987; and
- (c) the accommodation is not exempt accommodation.

(4) Sub-paragraph (1) applies irrespective of whether the renter is also liable to make service charge payments.

Marginal Citations

M12 1985 c.68.

M13 1996 c.52.

M14 1987 c.26.

The calculation of the housing costs element under this Part

The amount of housing costs element under this Part

22. The amount of the renter's housing costs element under this Part is to be calculated as follows.

Step 1

Determine—

- (a) (a) the amount of the renter's core rent; and
- (b) (b) the amount of the renter's cap rent,

and identify which is the lower amount (if both amounts are the same, that is the identified amount).

Step 2

Deduct the sum of the housing cost contributions (if any) under paragraph 13 from the amount identified in step 1.

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The result is the amount of the renter's housing costs element calculated under this Part.

Core rent

23. Except where paragraph 24 applies, the renter's core rent is to be determined as follows.

Step 1

Determine the amount of each relevant payment to be taken into account under paragraph 6.

Step 2

Determine the period in respect of which each relevant payment is payable and, in accordance with paragraph 7, determine the amount of the payment in respect of a month.

Step 3

If there is more than one relevant payment, add together the amounts determined in step 2 in relation to all relevant payments.

The result is the renter's core rent.

Core rent for joint tenants

24.—(1) This paragraph applies where, in respect of the accommodation occupied by the renter, one or more persons other than the renter are liable to make relevant payments which are of the same description as those for which the renter is liable and which are to be taken into account under paragraph 6.

(2) The following steps are to be taken in order to determine the renter's core rent.

Step 1

Determine the total of all relevant payments referred to in sub-paragraph (1) for which the renter and others are liable in respect of the accommodation taken as a whole.

Step 2

Determine the period in respect of which each relevant payment is payable and, in accordance with paragraph 7, determine the amount of the payment in respect of a month.

Step 3

Add together all of the amounts determined in step 2 in relation to all relevant payments.

Step 4

Find the allocated amount in accordance with whichever of sub-paragraphs (3) to (5) applies in the renter's case.

The result is the renter's core rent.

(3) Where the only persons liable to make relevant payments are listed persons, the allocated amount is the amount resulting from step 3 in sub-paragraph (2).

(4) Where the persons liable for the relevant payments are one or more listed persons and one or more other persons, the allocated amount is to be found by the applying the formula—

$$\left(\frac{A}{B}\right)xC$$

where—

“A” is the amount resulting from step 3 in sub-paragraph (2),

“B” is the total number of all persons (including listed persons) liable to make the relevant payments, and

“C” is the number of listed persons.

(5) If the Secretary of State is satisfied that it would be unreasonable to allocate the amount resulting from step 3 in sub-paragraph (2) in accordance with sub-paragraph (4), that amount is to be allocated in such manner as the Secretary of State considers appropriate in all the circumstances, having regard (among other things) to the number of persons liable and the proportion of the relevant payments for which each of them is liable.

Cap rent

25.—(1) The renter's cap rent is to be determined as follows.

Step 1

Determine the category of accommodation to which the renter is entitled under paragraphs 8 to 12 and 26 to 29.

Step 2

Having regard to the determination at step 1, determine the maximum allowable amount for the renter under sub-paragraph (2) or (4) (as the case may be).

The result is the renter's cap rent.

(2) The maximum allowable amount to be used in relation to the renter is the local housing allowance which applies at the relevant time to—

- (a) the broad rental market area in which the renter's accommodation is situated; and
- (b) the category of accommodation determined at step 1 as that to which the renter is entitled.

(3) But the maximum allowable amount in relation to the renter is to be determined under sub-paragraph (4) in any case where—

- (a) paragraph 4 of Schedule 3 (claimant housed in two dwellings by provider of social housing) applies to the renter; and
- (b) the maximum allowable amount determined under sub-paragraph (2) for the renter in relation to accommodation A and the amount so determined in relation to accommodation B are different (references to accommodation A and accommodation B are to be understood in accordance with paragraph 4 of Schedule 3); and
- (c) a single calculation is to be made in relation to the renter under paragraph 17 (renter treated as occupying single accommodation).

(4) In any such case, the maximum allowable amount to be used in making the single calculation required by paragraph 17—

- (a) is to be determined by reference to the accommodation for which the amount referred to in sub-paragraph (3)(b) is lower when the calculation is first made; and
- (b) is to continue to be determined by reference to that accommodation for so long as paragraph 4 of Schedule 3 applies to the renter in respect of the same accommodation A and the same accommodation B; and
- (c) is to be re-determined in accordance with paragraphs (a) and (b) on each occasion when the renter is re-housed in any other accommodation, provided that paragraph 4 of Schedule 3 continues to apply to the renter.

(5) In this paragraph—

“broad rental market area” means the broad rental market area determined under article 3 of the Rent Officers Order 2013;

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“local housing allowance”, in relation to a broad rental market area, means the amount determined by a rent officer for that area under article 4 of the Rent Officers Order 2013;

“relevant time” means the time at which the amount of the renter's housing costs element is calculated under paragraph 22.

Further provisions about size criteria for cases to which this Part applies

Four bedroom limit

26. In calculating the amount of a renter's housing costs element under paragraph 22, no renter is entitled to more than 4 bedrooms.

Specified renters entitled to shared accommodation only

27.—(1) In calculating the amount of a renter's housing costs element under paragraph 22, any specified renter (within the meaning of paragraph 28) is entitled to shared accommodation only.

(2) “Shared accommodation” means the category of accommodation specified in paragraph 1(a) of Schedule 1 to the Rent Officers Order 2013.

Meaning of “specified renters”

28.—(1) For the purposes of paragraph 27, “specified renter” means a renter in respect of whom all of the following conditions are met.

(2) The first condition is that the renter is a single person (or a member of a couple claiming as a single person) who—

- (a) is under 35 years old; and
- (b) is not an excepted person under paragraph 29.

(3) The second condition is that the renter is not responsible for any children or qualifying young persons.

(4) The third condition is that no person is a non-dependant in relation to the renter.

Renters excepted from shared accommodation

29.—(1) “Excepted person” means any renter (“E”) who falls within any of sub-paragraphs (2) to (9).

(2) In relation to England and Wales, E is at least 18 but under 22 years old and—

- (a) was formerly provided with accommodation under section 20 of the Children Act 1989^{M15} (which makes provision for local authorities to provide accommodation for certain children); and
- (b) was living in such accommodation on E's 16th birthday.

(3) In relation to Scotland, E is at least 18 but under 22 years old and—

- (a) was previously provided with accommodation by a local authority under section 25 of the Children (Scotland) Act 1995^{M16} (provision of accommodation for children etc); and
- (b) was living in that accommodation on E's 16th birthday.

(4) E is at least 25 but under 35 years old and—

- (a) has, for a total of at least 3 months (whether or not continuously), lived in one or more hostels for homeless people; and

- (b) whilst E was living in such a hostel, was offered and has accepted services which the Secretary of State considers are intended to assist E to be rehabilitated or resettled within the community.
- (5) E is under 35 years old and is in receipt of—
- (a) the care component of disability living allowance at the middle or highest rate;
 - (b) attendance allowance; or
 - (c) the daily living component of personal independence payment.
- (6) In relation to England and Wales, E is under 35 years old and is the subject of active multi-agency management pursuant to arrangements established by a responsible authority under section 325(2) of the Criminal Justice Act 2003 (arrangements for assessing etc. risks posed by certain offenders) ^{M17}.
- (7) In relation to Scotland, E is under 35 years old and is the subject of active multi-agency risk management pursuant to arrangements established by the responsible authorities under section 10(1) of the 2005 Act (arrangements for assessing and managing risks posed by certain offenders).
- (8) In relation to Scotland, E is under 35 years old and—
- (a) section 10(1) of the 2005 Act does not apply to E by reason only of the fact that section 10(1)(b) or (d) has not been brought fully into force; and
 - (b) E is considered by the Secretary of State to be a person who may cause serious harm to the public at large.
- (9) In relation to Scotland, E is under 35 years old and—
- (a) section 10(1) of the 2005 Act does not apply to E by reason only of the fact that section 10(1)(e) has not been brought fully into force; and
 - (b) by reason of an offence of which E has been convicted, E is considered by the Secretary of State to be a person who may cause serious harm to the public at large.
- (10) In this paragraph—
- “the 2005 Act” means the Management of Offenders etc. (Scotland) Act 2005 ^{M18};
- “care home”, “registered charity” and “voluntary organisation” have the meaning given in Schedule 1;
- “hostel” means a building—
- (a) in which there is provided, for persons generally or for a class of persons, domestic accommodation, otherwise than in separate and self-contained premises, and either board or facilities for the preparation of food adequate to the needs of those persons, or both; and
 - (b) which—
 - (i) is managed or owned by a provider of social housing other than a local authority, or
 - (ii) is operated other than on a commercial basis and in respect of which funds are provided wholly or in part by a government department or agency or a local authority, or
 - (iii) is managed by a voluntary organisation or a registered charity and provides care, support or supervision with a view to assisting those persons to be rehabilitated or resettled within the community; and
 - (c) which is not a care home;
- “hostel for homeless people” means a hostel the main purpose of which is to provide accommodation together with care, support or supervision for homeless people with a view to assisting such persons to be rehabilitated or resettled within the community.

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Changes to legislation: There are currently no known outstanding effects for the The Universal Credit Regulations 2013, SCHEDULE 4. (See end of Document for details)

Marginal Citations

- M15** 1989 c.41. Section 20 was amended by section 139(1) of, and paragraph 59 of Schedule 3 to, and Schedule 5 to, the [Adoption and Children Act 2002 \(c.38\)](#) and section 53(2) of the [Children Act 2004 \(c.31\)](#).
- M16** 1995 c.36.
- M17** 2003 c.44. Section 10(1) was amended by S.I. 2008/ 912. See “MAPPA Guidance (2012) Version 4” published in May 2012 by the Secretary of State.
- M18** 2005 asp 14. See Justice and Communities Circular JD/01/2012, “Sections 10 and 11 of the Management of Offenders etc. (Scotland) Act 2005: Multi Agency Public Protection Arrangements (MAPPA) National Guidance 2012”, Version 1, published by Scottish Ministers in January 2012.

PART 5

Social rented sector other than temporary accommodation

Application of Part 5

- 30.**—(1) This Part—
- (a) applies to renters who are liable to make rent payments to a provider of social housing; but
 - (b) does not apply to any renter who falls within paragraph 20(1)(b) (temporary accommodation).
- (2) Sub-paragraph (1) applies irrespective of whether renters are also liable to make service charge payments.

Reduction in certain cases of amounts to be taken into account

Deduction from relevant payments of amounts relating to use of particular accommodation

- 31.** In determining the amount of any relevant payment to be taken into account under paragraph 6, a deduction is to be made for any amount which the Secretary of State is satisfied—
- (a) is included in the relevant payment; but
 - (b) relates to the supply to the accommodation of a commodity (such as water or fuel) for use by any member of the renter's extended benefit unit.

Power to apply to rent officer if relevant payments excessive

- 32.**—(1) Sub-paragraph (2) applies where it appears to the Secretary of State that the amount of any relevant payment for which the renter is liable in respect of accommodation occupied by the renter is greater than it is reasonable to meet by way of the housing costs element under this Part.
- (2) The Secretary of State may apply to a rent officer for a determination to be made as to the amount of the relevant payment by the officer in exercise of the officer's Housing Act functions.
- (3) Sub-paragraph (4) applies in any case where a rent officer determines that a landlord might, at the time of the application under sub-paragraph (2), reasonably have expected to obtain a lower amount of the description of relevant payment referred to the rent officer.
- (4) The lower amount determined by the rent officer is to be used in making the calculation under this Part, instead of the amount of the relevant payment for which the renter is liable, unless the Secretary of State is satisfied that it is not appropriate to use that lower amount.

The calculation of the housing costs element under this Part

The amount of housing costs element

33. The amount of the renter's housing costs element under this Part is to be calculated by reference to the formula—

$$S - HCC$$

where—

“S” is the amount resulting from whichever of paragraph 34 or 35 applies in the renter's case, and
“HCC” is the sum of the housing cost contributions (if any) under paragraph 13.

Determining the amount from which HCC deductions are to be made

34. Except where paragraph 35 applies, amount S referred to in paragraph 33 is to be found as follows.

Step 1

Determine which relevant payments are to be taken into account under paragraph 6 and determine the amount of each of them (applying paragraphs 31 and 32(3) and (4) as necessary).

Step 2

Determine the period in respect of which each relevant payment is payable and, in accordance with paragraph 7, determine the amount of the payment in respect of a month.

Step 3

If there is more than one relevant payment, add together the amounts determined in step 2 in relation to all relevant payments.

Step 4

Determine under paragraph 36(1) whether an under-occupation deduction is to be made and, if one is to be made, determine the amount of the deduction under paragraph 36(2) and deduct it from the amount resulting from step 2 or 3 (as the case may be).

The result is amount S from which the sum of the housing costs contributions are to be deducted under paragraph 33.

Determining the amount from which HCC deductions are to be made: joint tenants

35.—(1) This paragraph applies where, in respect of the accommodation occupied by the renter, one or more persons other than the renter is liable to make relevant payments which are of the same description as those for which the renter is liable and which are to be taken into account under paragraph 6.

(2) Amount S referred to in paragraph 33 is to be found as follows.

Step 1

Determine the total of all relevant payments referred to in sub-paragraph (1) for which the renter and others are liable in respect of the accommodation taken as a whole (applying paragraphs 31 and 32(3) and (4) as necessary).

Step 2

Determine the period in respect of which each relevant payment is payable and, in accordance with paragraph 7, determine the amount of the payment in respect of a month.

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Step 3

Add together all of the amounts determined in step 2 in relation to all relevant payments.

Step 4

Find amount S in accordance with whichever of sub-paragraphs (3) to (5) applies in the renter's case. The result is amount S from which the sum of the housing costs contributions are to be deducted under paragraph 33.

(3) Where the only persons liable to make relevant payments are listed persons, amount S is the amount resulting from step 3 in sub-paragraph (2) less the amount of the under-occupation deduction (if any) required by paragraph 36.

(4) Where the persons liable for the relevant payments are one or more listed persons and one or more other persons, amount S is to be found by the applying the formula—

$$\left(\frac{A}{B}\right) \times C$$

where—

“A” is the amount resulting from step 3 in sub-paragraph (2),

“B” is the total number of all persons (including listed persons) liable to make the relevant payments, and

“C” is the number of listed persons.

(5) If the Secretary of State is satisfied that it would be unreasonable to determine amount S in accordance with sub-paragraph (4), amount S is to be determined in such manner as the Secretary of State considers appropriate in all the circumstances, having regard (among other things) to the number of persons liable and the proportion of the relevant payments for which each of them is liable.

Under-occupancy deduction

36.—(1) A deduction for under-occupancy is to be made under this paragraph where the number of bedrooms in the accommodation exceeds the number of bedrooms to which the renter is entitled under paragraphs 8 to 12.

(2) Where a deduction is to be made, the amount of the deduction is to be determined by the formula—

$$A \times B$$

where—

“A”—

(a) in relation to any deduction under paragraph 34, is the amount resulting from step 2 or 3 in that paragraph (as the case may be), or

(b) in relation to any deduction under paragraph 35(3), is the amount resulting from step 3 in paragraph 35(2);

“B” is the relevant percentage.

(3) The relevant percentage is 14% in the case of one excess bedroom.

(4) The relevant percentage is 25% in the case of two or more excess bedrooms.

(5) No deduction for under-occupation is to be made in calculating the amount of the renter's housing costs element under this Part in any case to which regulation 26(4) to (6) (shared ownership) applies.

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Changes to legislation:

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