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STATUTORY INSTRUMENTS

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**2017 No. 252**

**SOCIAL SECURITY**

**The Universal Credit (Housing Costs Element for claimants aged 18 to 21) (Amendment) Regulations 2017**

<i>Made</i>	- - - -	<i>2nd March 2017</i>
<i>Laid before Parliament</i>		<i>3rd March 2017</i>
<i>Coming into force</i>	- -	<i>1st April 2017</i>

The Secretary of State, in exercise of the powers conferred by sections 11(5)(a) and 42(2) and (3) of the Welfare Reform Act 2012<sup>(1)</sup>, makes the following Regulations.

In accordance with section 173(1)(b) of the Social Security Administration Act 1992<sup>(2)</sup>, the Social Security Advisory Committee has agreed that the proposals for these Regulations need not be referred to it.

**Citation and commencement**

1. These Regulations may be cited as the Universal Credit (Housing Costs Element for claimants aged 18 to 21) (Amendment) Regulations 2017 and come into force on 1st April 2017.

**Entitlement to housing costs element**

2.—(1) The Universal Credit Regulations 2013<sup>(3)</sup> are amended as follows.

(2) In regulation 6(1A) (rounding)—

(a) for “regulations” substitute “provisions”;

(b) after paragraph (b) insert—

“; and

(c) paragraph 4C of Schedule 4 (persons to whom paragraph 4A does not apply – periods of work).”.

(3) In Schedule 4 (housing costs element for renters)—

(a) in paragraph 1(3) for “an exception” substitute “exceptions”;

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(1) 2012 c.5.

(2) 1992 c.5.

(3) S.I. 2013/376. Regulation 6(1A) was inserted by S.I. 2015/1754. There are other amending instruments but none is relevant.

- (b) in the heading of Part 2 (exception to inclusion of housing costs element) for “Exception” substitute “Exceptions”;
- (c) in Part 2, after paragraph 4 insert—

**“No housing costs element for certain renters aged at least 18 but under 22**

**4A.** Section 11(1) of the Act does not apply to a renter who—

- (a) is at least 18 but under 22 years old;
- (b) falls within section 22 of the Act (claimants subject to all work-related requirements); and
- (c) is a single person (or a member of a couple claiming as a single person).

**Persons to whom paragraph 4A does not apply – general**

**4B.—**(1) Paragraph 4A does not apply where—

- (a) the renter is responsible for a child or a qualifying young person;
- (b) the renter satisfies paragraph 29(2), (5)(a) or (c), (6), (7), (8) or (9) (renters excepted from shared accommodation), whether or not the renter is a person to whom Part 4 (private rented sector and temporary accommodation) applies;
- (c) the renter meets the occupation condition in respect of temporary accommodation (within the meaning of paragraph 21);
- (d) the renter is unable to live with their parents because—
  - (i) the renter has no parent; or
  - (ii) neither parent occupies accommodation as their home in Great Britain;
- (e) in the opinion of the Secretary of State it is inappropriate for the renter to live with each of their parents, including (but not limited to) in circumstances where there would be a serious risk to the renter’s physical or mental health, or the renter would suffer significant harm, if the renter lived with them;
- (f) the renter’s expected number of hours per week determined under regulation 88 (expected hours) is fewer than 35;
- (g) regulation 99(3) or (4) (circumstances in which requirements must not be imposed) applies to the renter; or
- (h) domestic violence has been inflicted on or threatened against the renter by the renter’s partner or former partner or by a family member.

(2) In this paragraph, “domestic violence” and “family member” have the meanings given in regulation 98 (domestic violence).

**Persons to whom paragraph 4A does not apply – periods of work**

**4C.—**(1) Paragraph 4A does not apply to a renter in an assessment period where the renter’s earned income is equal to or exceeds the amount that a person would be paid at the hourly rate set out in—

- (a) unless paragraph (b) applies, regulation 4A(1)(b) of the National Minimum Wage Regulations; or
- (b) where the renter was employed under a contract of apprenticeship on the last day of the assessment period, regulation 4A(1)(d) of the National Minimum Wage Regulations,

for 16 hours per week, converted to a net monthly amount by multiplying by 52 and dividing by 12.

(2) Paragraph 4A does not apply to a renter for a period of 6 consecutive months that begins on the most recent of the following days in respect of which the relevant condition in sub-paragraph (3) is met—

- (a) the first day of the renter’s first assessment period;
- (b) the first day of an assessment period (which is not the renter’s first assessment period) in which the renter’s earned income is less than the threshold.

(3) The relevant condition is—

- (a) in the case of sub-paragraph (2)(a), the renter’s earned income was equal to or exceeded the threshold in each of the 6 calendar months ending before the calendar month in which the claim for universal credit was made;
- (b) in the case of sub-paragraph (2)(b)—
  - (i) the renter’s earned income was equal to or exceeded the threshold in each of the 6 assessment periods immediately preceding the day mentioned in sub-paragraph (2)(b); or
  - (ii) where there are fewer than 6 assessment periods immediately preceding that day, the renter’s earned income was equal to or exceeded the threshold in each of the 6 months comprised of:
    - (aa) the assessment periods immediately preceding the day mentioned in sub-paragraph (2)(b); and
    - (ab) the number of calendar months (ending before the calendar month in which the claim for universal credit was made) that are required to complete the 6 month period.

(4) In this paragraph—

“earned income” does not include income a person is treated as having by virtue of regulation 62 (minimum income floor);

“threshold” is the amount that a person would be paid at the hourly rate set out in—

- (a) unless paragraph (b) applies, regulation 4A(1)(b) of the National Minimum Wage Regulations;
- (b) where the renter was employed under a contract of apprenticeship for the duration of the 6 month period applicable under sub-paragraph (3), regulation 4A(1)(d) of the National Minimum Wage Regulations,

for 16 hours per week, converted to a net monthly amount by multiplying by 52 and dividing by 12..”.

### **Saving for claimants not living in a digital service area**

3.—(1) The amendments made by these Regulations do not apply to an award of universal credit unless it is—

- (a) an award to which a person has become entitled by reference to residence in a digital service area (whether or not the person is still living in that area);
- (b) an award to which a person who is living in a digital service area is entitled (whether or not the person was living in that area at the time that person became entitled);

- (c) an award, not falling within sub-paragraph (a) or (b), to which a person who has lived in a digital service area at any time after it became a digital service area is entitled but only if that award has been administered on the digital service computer system;
- (d) an award not falling within sub-paragraphs (a) to (c)—
  - (i) which is made to members of a couple jointly as a consequence of a previous award having ended when the couple formed; or
  - (ii) which is made to a single claimant as a consequence of a previous award having ended when the claimant ceased to be a member of a couple,

where that previous award was administered on the digital service computer system.

(2) Where the date on which these Regulations first apply to an existing award of universal credit by virtue of paragraph (1)(b) is not the first day of an assessment period, they are not to have effect in relation to that award until the first day of the next assessment period.

(3) In this regulation—

“a digital service area” means—

- (a) postcode districts SM5 2, SM6 7 and SM6 8; and
- (b) an area in respect of which no restrictions have been imposed in order for the universal credit provisions to come into force on a claim for universal credit (apart from with respect to residence and the date on which, or period in respect of which, universal credit is claimed) by an order under section 150 of the Welfare Reform Act 2012 or an area (apart from that referred to in (a)) in respect of which such restrictions have been, but are no longer, imposed;

“the digital service computer system” is the computer system operated by the Secretary of State in digital service areas;

“universal credit provisions” means the provisions listed in Schedule 2 to the Welfare Reform Act 2012 (Commencement No. 9 and Transitional and Transitory Provisions and Commencement No. 8 and Savings and Transitional Provisions (Amendment)) Order 2013(4).

#### **Saving for claimants entitled to housing benefit or with an award that includes the housing costs element**

4.—(1) These Regulations do not apply to an award of universal credit if, immediately before the first day on which they would otherwise apply, the claimant was entitled to—

- (a) an award of universal credit that included the housing costs element; or
- (b) an award of housing benefit under section 130 of the Social Security Contributions and Benefits Act 1992(5).

(2) Paragraph (1) does not apply to an award with effect from the day after the day on which it ceases to include the housing costs element.

(3) In this regulation, “housing costs element” has the meaning in regulation 25 of the Universal Credit Regulations 2013 (the housing costs element).

(4) S.I. 2013/983, to which there are amendments not relevant to these Regulations.

(5) 1992 c.4. Section 130 was amended by paragraph 2 of Schedule 9 to the Local Government Finance Act 1992 (c.14), Part VI of Schedule 19 to the Housing Act 1996 (c.52), section 96 of the Local Government Act 2000 (c.22) and section 30 of, and paragraph 1(1) and (3) of Schedule 5, and Schedule 8 to, the Welfare Reform Act 2007 (c.5).

Signed by authority of the Secretary of State for Work and Pensions

2nd March 2017

*Richard Harrington*  
Parliamentary Under Secretary of State,  
Department for Work and Pensions

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Universal Credit Regulations 2013 (S.I. 2013/376) (the “2013 Regulations”) so that certain claimants aged 18 to 21 are not entitled to the housing costs element of universal credit. The Regulations come into force on 1st April 2017.

Regulation 2(2) amends regulation 6 (rounding) of the 2013 Regulations to provide that, when calculating the level of the threshold in paragraph 4C of Schedule 4 of the 2013 Regulations (which is inserted by regulation 2(3)(c)), that amount is to be rounded down to the nearest whole pound. It also makes a technical amendment to that provision.

Regulation 2(3)(a) and (b) makes minor technical amendments.

Regulation 2(3)(c) inserts new paragraphs 4A to 4C into Schedule 4 of the 2013 Regulations. Schedule 4 makes provision for the housing costs element of universal credit and applies to “renters”.

Section 11(1) of the Welfare Reform Act 2012 (c.5) provides for an amount to be included in an award of universal credit for housing costs. Paragraph 4A provides that section 11(1) does not apply to a renter who: is aged 18 to 21; falls within section 22 of the Act (claimants subject to all work-related requirements); and is a single person.

Paragraph 4B prescribes a number of circumstances in which paragraph 4A does not apply (and so where a claimant will be entitled to housing costs). The circumstances include where, in the opinion of the Secretary of State, it is inappropriate for the renter to live with each of his or her parents, including (but not limited to) where there would be a serious risk to the renter’s physical or mental health, or the renter would suffer significant harm, if the renter lived with them (paragraph 4B(1)(e)).

Paragraph 4C prescribes additional circumstances in which Paragraph 4A does not apply. Paragraph 4C(1) provides that it does not apply to a renter in an assessment period in which the renter’s earned income is equal to or exceeds a prescribed amount. The prescribed amount is the monthly amount a person would earn whilst working 16 hours per week at the National Minimum Wage (at the rate for 18 to 20 year olds (paragraph 4C(1)(a)) or, where the renter is employed under a contract of apprenticeship, the rate for apprentices (paragraph 4C(1)(b)).

Paragraph 4C(2) provides for a 6 month exemption during which paragraph 4A does not apply. The exemption applies where a renter’s earnings in each of the 6 months set out in paragraph 4C(3) are equal to or more than the threshold. The exemption begins on the date set out in paragraph 4C(2). The threshold is, similarly to 4C(1), the monthly amount a person would earn whilst working 16 hours per week at the National Minimum Wage (at the rate for 18 to 20 year olds or, where the renter was employed under a contract of apprenticeship for the duration of the relevant 6 month period, the rate for apprentices).

Regulation 3 is a saving provision with the effect that these Regulations only apply to awards of universal credit that are linked to residence in an area where the universal credit digital service is operating (that is areas where there are no restrictions on the persons who may claim universal credit).

Regulation 4 is a further saving provision with effect that, where regulation 3 would not otherwise stop the Regulations applying to an award (i.e. the case is linked to residence in a digital service area), the Regulations do not apply if the claimant was entitled to the housing costs element or housing benefit immediately before the first day on which the Regulations would otherwise apply. The saving ceases to apply to an award with effect from the day after the day on which it ceases to include the housing costs element.

An impact assessment has not been produced as this instrument has no impact on business or civil society organisations.