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*Changes to legislation: There are currently no known outstanding effects for the Welfare Reform and Work Act 2016, Cross Heading: Exemptions. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 2

#### FURTHER PROVISION ABOUT SOCIAL HOUSING RENTS

##### PART 2

##### EXCEPTIONS AND EXEMPTIONS

###### *Exemptions*

- 6 (1) The regulator may issue a direction mentioned in sub-paragraph (2) in respect of a private registered provider if—
- (a) the condition in sub-paragraph (4) or (5) is satisfied, and
  - (b) the Secretary of State consents.
- (2) The directions are—
- (a) a direction that Part 1 does not apply in relation to a private registered provider specified in the direction;
  - (b) a direction that Part 1 is to have effect in relation to a private registered provider specified in the direction as if a reference in Part 1 to the social rent rate were a reference to that rate increased by the percentage specified in the direction;
  - (c) a direction that Part 1 is to have effect in relation to a private registered provider specified in the direction as if paragraph 1(4)(c) or (5)(c)—
    - (i) were omitted,
    - (ii) required the lesser reduction specified in the direction, or
    - (iii) required the increase specified in the direction;
  - (d) a direction that Part 1 is to have effect in relation to a private registered provider specified in the direction as if—
    - (i) in paragraph 3(5), “reduced by 1%” were omitted,
    - (ii) paragraph 3(5) required the lesser reduction specified in the direction, or
    - (iii) paragraph 3(5) required the increase specified in the direction.
- (3) The regulator may specify in a direction—
- (a) the period during which it is to have effect, and
  - (b) the social housing in relation to which it is to have effect.
- (4) The condition in this sub-paragraph is that the regulator considers that complying with Part 1 would jeopardise the financial viability of the private registered provider.
- (5) The condition in this sub-paragraph is that the circumstances of the private registered provider satisfy requirements prescribed in regulations made by the Secretary of State.

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- (6) The regulator may publish a document about the measures that the regulator considers could be taken by a private registered provider to comply with Part 1 and to avoid jeopardising its financial viability.
- (7) The Secretary of State may issue a direction mentioned in sub-paragraph (8) in respect of a local authority if the condition in sub-paragraph (10) or (11) is satisfied.
- (8) The directions are—
- (a) a direction that Part 1 does not apply in relation to a local authority specified in the direction;
  - (b) a direction that Part 1 is to have effect in relation to a local authority specified in the direction as if a reference in Part 1 to the social rent rate were a reference to that rate increased by the percentage specified in the direction;
  - (c) a direction that Part 1 is to have effect in relation to a local authority specified in the direction as if paragraph 1(4)(c) or (5)(c)—
    - (i) were omitted,
    - (ii) required the lesser reduction specified in the direction, or
    - (iii) required the increase specified in the direction;
  - (d) a direction that Part 1 is to have effect in relation to a local authority specified in the direction as if—
    - (i) in paragraph 3(5), “reduced by 1%” were omitted,
    - (ii) paragraph 3(5) required the lesser reduction specified in the direction, or
    - (iii) paragraph 3(5) required the increase specified in the direction.
- (9) The Secretary of State may specify in a direction—
- (a) the period during which it is to have effect, and
  - (b) the social housing in relation to which it is to have effect.
- (10) The condition in this sub-paragraph is that the Secretary of State considers that the local authority would be unable to avoid serious financial difficulties if it were to comply with Part 1.
- (11) The condition in this sub-paragraph is that the circumstances of the local authority satisfy requirements prescribed in regulations by the Secretary of State.
- (12) The Secretary of State may publish a document about the measures that the Secretary of State considers could be taken by a local authority in order to comply with Part 1 and to avoid serious financial difficulties.

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