
STATUTORY INSTRUMENTS

2004 No. 2825

**The Social Security (Housing Costs
Amendments) Regulations 2004**

**Amendments to the Income Support Regulations, the Jobseeker's Allowance Regulations
and the State Pension Credit Regulations**

2.—(1) Schedule 3 to the Income Support Regulations⁽¹⁾, Schedule 2 to the Jobseeker's Allowance Regulations⁽²⁾ and Schedule II to the State Pension Credit Regulations⁽³⁾ (housing costs) shall be amended in accordance with this regulation.

(2) In paragraph 1(2) of each of those Schedules (housing costs), in the definition of “standard rate” the words “specified in” shall be substituted by the words “determined in accordance with”.

(3) In the explanation of “B” in—

- (a) paragraph 10 of Schedule 3 to the Income Support Regulations,
- (b) paragraph 9 of Schedule 2 to the Jobseeker's Allowance Regulations, and
- (c) paragraph 7(1) of Schedule II to the State Pension Credit Regulations,

for the words after “the time being” there shall be substituted the words “applicable in respect of that loan”.

(4) For the sub-paragraphs of—

- (a) paragraph 12 of Schedule 3 to the Income Support Regulations,
- (b) paragraph 11 of Schedule 2 to the Jobseeker's Allowance Regulations, and
- (c) paragraph 9 of Schedule II to the State Pension Credit Regulations,

there shall be substituted the following sub-paragraphs—

“(1) The standard rate is the rate of interest applicable per annum to a loan which qualifies under this Schedule.

(2) Subject to sub-paragraphs (3), (4) and (6), the standard rate shall be 1.58 per cent. plus—

- (a) the rate announced from time to time by the Monetary Policy Committee of the Bank of England as the official dealing rate, being the rate at which the Bank is willing to enter into transactions for providing short term liquidity in the money markets, or
- (b) where an order under section 19 of the Bank of England Act 1998 (reserve powers) ⁽⁴⁾ is in force, any equivalent rate determined by the Treasury under that section.

(1) Schedule 3 was substituted by S.I.1995/1613; relevant amending instruments are S.I. 2001/3651 and 2004/2174.

(2) Relevant amending instruments are S.I. 1996/1517 and 2001/3651.

(3) Relevant amending instrument is S.I. 2002/3197.

(4) 1998 c. 11.

(3) The Secretary of State shall determine the date from which the standard rate calculated in accordance with sub-paragraph (2) takes effect⁽⁵⁾.

(4) Where—

(a) the actual rate of interest charged on the loan which qualifies under this Schedule is less than 5 per cent. per annum on the day the housing costs first fall to be met, and

(b) that day occurs before 28th November 2004,

the standard rate shall be equal to that actual rate.

(5) Sub-paragraph (4) shall cease to apply in a particular case to any one or more loans which fall within that sub-paragraph on whichever of the following dates occurs first—

(a) the date on which the actual rate of interest charged on such a loan is 5 per cent. per annum or higher,

(b) the anniversary of the date on which the housing costs first fell to be met, or

(c) where a supersession decision based on a change of circumstances arising on or after 28th November 2004 is made under section 10 of the Social Security Act 1998 (decisions superseding earlier decisions)⁽⁶⁾, the date of the change of circumstances.

(6) Where sub-paragraph (4) does not apply to a loan which qualifies under this Schedule, the standard rate shall be 5.88 per cent. until the first date determined by the Secretary of State under sub-paragraph (3).”.

(5) In the definition of “existing housing costs” in paragraph 1(2) (housing costs) of Schedule 3(7) to the Income Support Regulations and Schedule 2 to the Jobseeker’s Allowance Regulations (housing costs), there shall be substituted for head (a)—

“(a) which replaces an existing agreement, provided that the person liable to meet the housing costs—

(i) remains the same in both agreements, or

(ii) where in either agreement more than one person is liable to meet the housing costs, the person is liable to meet the housing costs in both the existing agreement and the new agreement;”.

(5) The date determined by the Secretary of State and the amount of the standard rate are available from the Department for Work and Pensions at the following address: DWP, Housing Support Division, 5th Floor, Adelphi, 1-11 John Adam Street, London WC2N 6HT. The date determined and the standard rate are published on the DWP website (www.dwp.gov.uk) at least seven days before the new standard rate becomes applicable.

(6) 1998 c. 14. Section 10 was amended by the Social Security (Transfer of Functions, etc.) Act 1999 (c. 2) and modified by the Tax Credits Act 2002 (c. 21).

(7) Relevant amending instrument is S.I. 1995/2927.