

## SCHEDULE 1

### Meaning of payments in respect of accommodation

#### *Service charge payments*

#### **Service charge payments**

- 7.—(1) “Service charge payments” are payments which—
- (a) fall within sub-paragraph (2);
  - (b) are not excluded by sub-paragraph (3); and
  - (c) in any case to which paragraph 8 applies, meet all of the conditions set out in that paragraph.
- (2) The payments falling within this sub-paragraph are payments of amounts which are, in whole or in part—
- (a) payments of, or towards, the costs of or charges for providing services or facilities for the use or benefit of persons occupying accommodation; or
  - (b) fairly attributable to the costs of or charges for providing such services or facilities connected with accommodation as are available for the use or benefit of persons occupying accommodation.
- (3) Payments are excluded by this sub-paragraph where—
- (a) a loan that falls within paragraph 5 was taken out for the purposes of making the payments; or
  - (b) the services or facilities to which the payments relate are provided for the use or benefit of any person occupying—
    - (i) a tent,
    - (ii) approved premises,
    - (iii) a care home, or
    - (iv) exempt accommodation.
- (4) It is irrelevant for the purposes of sub-paragraph (2)—
- (a) whether or not the payments are separately identified as relating to the costs or charges referred to in sub-paragraph (2);
  - (b) whether they are made in addition to or as part of any other payment (including a payment that would otherwise be regarded as a rent payment within the meaning of paragraph 2);
  - (c) whether they are made under the same or a different agreement as that under which the accommodation is occupied.

#### **Additional conditions: social rented sector renters and owner-occupiers**

- 8.—(1) This paragraph applies for the purposes of calculating the amount of housing costs element to be included in a claimant’s award of universal credit but only as regards calculations made under—
- (a) Part 5 of Schedule 4 (social rented sector other than temporary accommodation); or
  - (b) Schedule 5 (housing costs element for owner-occupiers).
- (2) The following are the conditions referred to in paragraph 7(1)(c).

(3) The first condition is that making the payments is a condition on which the right to occupy the accommodation depends.

(4) The second condition is that the payments fall within one or more of the following categories:

*Category A - Payments to maintain the general standard of the accommodation*

Payments within this category are for—

- (a) (a) the external cleaning of windows, but only in relation to upper floors of a multi-storey building;
- (b) (b) other internal or external maintenance or repair of the accommodation, but only where the payments are separately identifiable as relating to such maintenance or repair and payable by—
  - (i) a claimant who occupies accommodation under a shared ownership tenancy, or
  - (ii) a claimant in whose case any amount of housing costs element to be included in their award in respect of those payments would fall to be calculated under Schedule 5.

*Category B - Payments for the general upkeep of areas of communal use*

Payments within this category are for ongoing maintenance or cleaning of, and the supply of water, fuel or any other commodity relating to the common use of, internal or external areas, including areas for reasonable facilities (such as laundry rooms or children's play areas).

*Category C - Payments in respect of basic communal services*

Payments within this category are for provision, ongoing maintenance, cleaning or repair in connection with basic services generally available to all persons living in the accommodation (such as refuse collection, communal lifts, secure building access or wireless or television aerials to receive a service free of charge).

*Category D - Accommodation-specific charges*

Payments within this category are specific to the particular accommodation occupied by a claimant but are limited to payments for the use of essential items contained in it (such as furniture or domestic appliances).

(5) The third condition is that the costs and charges to which the payments relate are of a reasonable amount and relate to services or facilities of such description as it is reasonable to provide.

(6) The fourth condition is that the payments are none of the following—

- (a) payments to the extent that they relate to the costs of or charges for providing services or facilities in respect of which payments out of public funds might otherwise be made (irrespective of whether the claimant has any entitlement to payments so made);
- (b) payments in connection with the use of an asset which result in the transfer of the asset or any interest in it;
- (c) payments to the extent that they relate to the costs of or charges for providing food, medical services or personal services (including personal care) of any description.

(7) Payments that are not service charge payments within the meaning of paragraph 7 by reason only that they fail to meet any of the conditions set out in sub-paragraphs (3) to (6) are nevertheless to be treated as if they were such service charge payments for the purposes of paragraphs 3(g) and 4(2).