

SCHEDULE 4

Housing costs element for renters

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(1), Part 7 of the Housing Act 1996(2) or Part 2 of the Housing (Scotland) Act 1987(3), 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.

(1) 1985 c.68.
(2) 1996 c.52.
(3) 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.

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—

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

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 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;
 - “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⁽⁴⁾ (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⁽⁵⁾ (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)⁽⁶⁾.
- (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—

(4) [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](#)).

(5) [1995 c.36](#).

(6) [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.

“the 2005 Act” means the Management of Offenders etc. (Scotland) Act 2005(7);

“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.

(7) 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.