

## SCHEDULE 4

### Housing costs element for renters

## PART 5

### Social rented sector other than temporary accommodation

#### Application of Part 5

**30.**—(1) This Part—

- (a) applies to renters who are liable to make rent payments to a provider of social housing; but
- (b) does not apply to any renter who falls within paragraph 20(1)(b) (temporary accommodation).

(2) Sub-paragraph (1) applies irrespective of whether renters are also liable to make service charge payments.

#### *Reduction in certain cases of amounts to be taken into account*

#### Deduction from relevant payments of amounts relating to use of particular accommodation

**31.** In determining the amount of any relevant payment to be taken into account under paragraph 6, a deduction is to be made for any amount which the Secretary of State is satisfied—

- (a) is included in the relevant payment; but
- (b) relates to the supply to the accommodation of a commodity (such as water or fuel) for use by any member of the renter's extended benefit unit.

#### Power to apply to rent officer if relevant payments excessive

**32.**—(1) Sub-paragraph (2) applies where it appears to the Secretary of State that the amount of any relevant payment for which the renter is liable in respect of accommodation occupied by the renter is greater than it is reasonable to meet by way of the housing costs element under this Part.

(2) The Secretary of State may apply to a rent officer for a determination to be made as to the amount of the relevant payment by the officer in exercise of the officer's Housing Act functions.

(3) Sub-paragraph (4) applies in any case where a rent officer determines that a landlord might, at the time of the application under sub-paragraph (2), reasonably have expected to obtain a lower amount of the description of relevant payment referred to the rent officer.

(4) The lower amount determined by the rent officer is to be used in making the calculation under this Part, instead of the amount of the relevant payment for which the renter is liable, unless the Secretary of State is satisfied that it is not appropriate to use that lower amount.

#### *The calculation of the housing costs element under this Part*

#### The amount of housing costs element

**33.** The amount of the renter's housing costs element under this Part is to be calculated by reference to the formula—

$$S - HCC$$

where—

“S” is the amount resulting from whichever of paragraph 34 or 35 applies in the renter’s case, and

“HCC” is the sum of the housing cost contributions (if any) under paragraph 13.

**Determining the amount from which HCC deductions are to be made**

34. Except where paragraph 35 applies, amount S referred to in paragraph 33 is to be found as follows.

*Step 1*

Determine which relevant payments are to be taken into account under paragraph 6 and determine the amount of each of them (applying paragraphs 31 and 32(3) and (4) as necessary).

*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.

*Step 4*

Determine under paragraph 36(1) whether an under-occupation deduction is to be made and, if one is to be made, determine the amount of the deduction under paragraph 36(2) and deduct it from the amount resulting from step 2 or 3 (as the case may be).

The result is amount S from which the sum of the housing costs contributions are to be deducted under paragraph 33.

**Determining the amount from which HCC deductions are to be made: joint tenants**

35.—(1) This paragraph applies where, in respect of the accommodation occupied by the renter, one or more persons other than the renter is 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) Amount S referred to in paragraph 33 is to be found as follows.

*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 (applying paragraphs 31 and 32(3) and (4) as necessary).

*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 amount S in accordance with whichever of sub-paragraphs (3) to (5) applies in the renter’s case.

The result is amount S from which the sum of the housing costs contributions are to be deducted under paragraph 33.

(3) Where the only persons liable to make relevant payments are listed persons, amount S is the amount resulting from step 3 in sub-paragraph (2) less the amount of the under-occupation deduction (if any) required by paragraph 36.

(4) Where the persons liable for the relevant payments are one or more listed persons and one or more other persons, amount S is to be found by the applying the formula—

$$\left(\frac{A}{B}\right)xC$$

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 determine amount S in accordance with sub-paragraph (4), amount S is to be determined 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.

### **Under-occupancy deduction**

**36.**—(1) A deduction for under-occupancy is to be made under this paragraph where the number of bedrooms in the accommodation exceeds the number of bedrooms to which the renter is entitled under paragraphs 8 to 12.

(2) Where a deduction is to be made, the amount of the deduction is to be determined by the formula—

$$AxB$$

where—

“A”—

(a) in relation to any deduction under paragraph 34, is the amount resulting from step 2 or 3 in that paragraph (as the case may be), or

(b) in relation to any deduction under paragraph 35(3), is the amount resulting from step 3 in paragraph 35(2);

“B” is the relevant percentage.

(3) The relevant percentage is 14% in the case of one excess bedroom.

(4) The relevant percentage is 25% in the case of two or more excess bedrooms.

(5) No deduction for under-occupancy is to be made in calculating the amount of the renter’s housing costs element under this Part in any case to which regulation 26(4) to (6) (shared ownership) applies.