

ADM Chapter F3: Housing Costs Element: Support for renters

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Introduction

F3001 This chapter provides guidance to determine the calculation of the amount of HCE to be included in an award of UC for claimants in rented accommodation.

F3002 F3070 et seq contains guidance that is relevant to all rental calculations whether the claimant's home is privately rented or rented in the social housing sector.

F3003 F3180 et seq contains guidance relevant to claimants who rent privately.

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eq contains definitions relevant to this chapter.

AA

F3011 “AA” has the meaning given in prescribed legislation¹. DMs should note the difference between the term attendance allowance which is commonly used to describe one particular benefit (abbreviation AA) **and** “attendance allowance” which is defined in legislation (abbreviation “AA”).

1 [UC Regs, reg 2](#)

Adopter

F3012 Adopter has the meaning in prescribed legislation¹ see ADM Chapter J2.

1 [UC Regs, reg 2; reg 89\(3\)\(a\); Sch 4, para 2](#)

Cap rent

F3013 Cap rent is the maximum amount of all relevant payments allowable.

Core rent

F3014 Core rent is the actual amount of all relevant payments being paid.

Exempt accommodation

F3015 Exempt accommodation has the meaning given in ADM Chapter F2.

Extended Benefit Unit

F3016 The members of a renter’s extended benefit unit are¹

1. the renter or joint renters
2. any child or qualifying young person for whom the renter or either joint renter is responsible
3. anyone who is a non-dependant.

Foster child

F3017 Foster child is a child in relation to whom the renter (or either joint renter) is a foster parent¹.

1. [UC Regs, Sch 4, para 9\(3\)](#)

Housing Act functions

F3018 Housing Act functions are functions of rent officers under prescribed legislation¹.

1 [UC Regs Sch 4, para 2; Housing Act 1996, s 122](#)

F3019

Housing Cost Contribution

F3020 A HCC is a deduction to be made from the HCE for each non-dependant who is in the renters extended benefit unit¹.

1 [UC Regs, Sch 4, para 2 & 13](#)

F3021 - F3029

Joint renters

F3030 Joint renters¹ are members of the same benefit unit, and are each liable to make the same relevant payments.

1 [UC Regs, Sch 4, para 2](#)

Joint tenant

F3031 A joint tenant¹ is a person who occupies the accommodation with one or more other people who are separately liable to make relevant payments and are not members of the same benefit unit.

1 [UC Regs, Sch 4, para 24\(1\)](#)

Listed persons

F3032 Listed person¹ means

1. the renter

2. where the renter is a member of a couple, the other member of a couple **and**

3. any child or qualifying young person for whom the renter or joint renter is responsible.

[1 UC Regs, Sch 4, para 2](#)

Member of the armed forces

F3033 Member of the armed forces means a member of the regular forces or the reserve forces within the meaning of prescribed legislation¹.

[1 UC Regs, Sch 4, para 2; Armed Forces Act 2006, s 374](#)

Non- dependant

F3034 A non dependant is someone who normally lives in the home with the renter (or joint renter) and is not¹

1. a person within F3016 **1.** or **2.**

2. the other member of a couple where the renter is a member of a couple and is claiming as a single person.

3. a foster child of either the renter or joint renter

4. anyone who is liable to make payments to occupy the accommodation on a commercial basis

5. a person to whom payments under F3037 are owed or a member of their household

6. anyone who has already been treated as a non-dependant for a claim to UC by another person who is liable to make payments for the same accommodation occupied by the renter (or joint renter).

7. a child or qualifying young person for whom no one in the renter's extended benefit unit is responsible.

Note 1: For the purpose of this paragraph "normally" means "usually" and should be tested over a period to which usually can relate. A non dependant can only "normally" live in one place.

Note 2: sub para 6. does not apply where the other joint renters claim is for HB, IS, JSA, ESA or SPC. In which case there will be an HCC deduction appropriate on each joint renters claim in respect of the same person.

[1 UC Regs, Sch 4, para 2 & 9\(2\)](#)

Example

In a case where a student lives at a university address during term time and lives at their parents' home for some weekends and during the holidays, the DM should decide which address is where they normally reside. Whichever address is chosen will remain the student's normal residence even when they spend time at the other home.

A student still retains a bedroom, furniture and some clothing at their parents' home, they still get some mail there, are registered with the local dentist and are actually resident for 18 full weeks and most weekends. On this evidence the DM decides that the student normally resides at their parents' home and are only temporarily absent from it whilst at university.

Alternatively, the DM may decide that because the student has a tenancy agreement for a university address, they have some furniture and clothes there, they live there for 32 weeks of the year and are liable for gas, electricity and a tv licence that they normally reside at the university address and are only temporarily absent from it whilst back living with their parents

Provider of social housing

F3035 A provider of social housing is¹

1. a LA
2. a non profit registered provider of social housing
3. a profit making registered provider of social housing
4. a registered social landlord.

1 [UC Regs, Sch 4, para 2;](#)

Registered social landlord

F3036 A registered social landlord is¹ a body registered under prescribed legislation²

1 [UC Regs, Sch 4, para 2;](#) 2 Housing Act, Part 1, Ch 1; [Housing \(Scotland\) Act 2010, s 20\(1\)](#)

Relevant payments

F3037 Relevant payments are¹ payments of rent under F2041 or service charge payments. For all renters' service charges see F2050 et seq, for those in the social sector see also F2060 et seq.

1 [UC Regs, Sch 4, para 2 & 3](#)

Renter

F3038 A renter¹ is either a single renter or either of the joint renters. For the purposes of this chapter references to renter also refer to joint renters.

1 [UC Regs, Sch 4, para 2](#)

F3039 - F3049

Shared Accommodation

F3050 Shared accommodation means the category of accommodation specified in prescribed legislation¹.

1 [UC Regs, Sch 4, para 2; Rent Officers \(UC Functions\) Order 2013](#)

Shared Ownership

F3051 Shared ownership tenancy has the meaning given in ADM Chapter F2.

Social housing

F3052 Social housing¹ has the meaning given in prescribed legislation².

1 [UC Regs, Sch 4, para 2](#); 2 [The Housing and Regeneration Act 2008 s 68 – 77](#)

F3053 - F3059

No HCE to be included for 16 and 17 year-old care leavers F3060 - F3069

F3060 No amount of the HCE of UC can be included in an award where the renter is

1. 16 or 17 years old **and**

2. is a care leaver¹.

Note: see ADM Chapter E1 for definition of care leaver.

[1 UC Regs, Sch 4, para 4](#)

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General provisions relating to the calculation of the amount of HCE for renters F3070 - F3109

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General

F3070 F3071 et seq contains guidance that is relevant to the calculation of a renter's HCE.

Payments that are taken into account

F3071 Where a renter meets the payment, liability and occupation conditions for more than one relevant payment, each relevant payment will be taken into account in the calculation of the HCE¹.

1 [UC Regs, Sch 4, para 6\(1\)](#)

F3072 Any amount of a relevant payment where the renter does not meet the payment, liability and occupation conditions in respect of that amount will not be taken into account when calculating the HCE¹.

1 [UC Regs, Sch 4, para 6\(2\)](#)

F3073 Any relevant payment a renter is liable for will only be taken into account once, whether in relation to the same or a different renter, when calculating a renter's HCE¹. This does not prevent different payments of the same description being brought into account in respect of the same assessment period.

1 [UC Regs, Sch 4, para 6\(3\)](#)

F3074 - F3079

Periods of payments

Calendar monthly average

F3080 All relevant payments will be taken into account as a calendar monthly amount¹.

[1 UC Regs, Sch 4, para 7\(1\)](#)

F3081 Where any relevant payment is due for a period other than calendar monthly it will be calculated as an average of all payments due in a 12 month period¹.

[1 UC Regs, Sch 4, para 7\(2\)](#)

F3082 - F3089

How to calculate a calendar monthly average

Weekly payments

F3090 Where a relevant payment is weekly, the calendar monthly average is calculated by multiplying the weekly amount by 52 and dividing the total by 12¹. It will always be assumed that there will be 52 weeks in a year.

[1 UC Regs, Sch 4, para 7\(2\)\(a\)](#)

Example

Jacob's rent is £72 a week for his 2 bedroom flat.

$$£72 \times 52 / 12 = £312$$

Jacob's calendar monthly rent is £312.

4 weekly payments

F3091 Where a relevant payment is due for a 4 weekly period the calendar monthly average is calculated by multiplying the payment by 13 and dividing the total by 12¹.

[1 UC Regs, Sch 4, para 7\(2\)\(b\)](#)

Example

Ellie lives in a two bedroom semi detached house with her family and is charged £480 rent every 4 weeks.

$$£480 \times 13 / 12 = £520$$

Ellie's calendar monthly rent is £520.

3 monthly payments

F3092 Where a relevant payment is due quarterly (every 3 months) the calendar monthly average is calculated by multiplying the payment by 4 and dividing the total by 12¹.

1 [UC Regs, Sch 4, para 7\(2\)\(c\)](#)

Example

Isaac lives in a one bedroom flat and he pays his rent quarterly. His quarterly payments are £1,600.

$$£1,600 \times 4 / 12 = 533.34$$

Isaac's calendar monthly rent is £533.34.

Annual payments

F3093 Where a relevant payment is due annually the payment will be divided by 12¹.

1 [UC Regs, Sch 4, para 7\(2\)\(d\)](#)

Example

Millie lives with her family in a three bedroom house her rent is paid annually and is £7000 / 12 = £583.34

Millie's calendar monthly rent is £583.34.

F3094 - F3099

Rent includes rent free periods

F3100 Where a renter is liable to pay rent and/or service charge payments but that liability includes periods where they have one or more rent free periods, to determine the calendar monthly average the amount of each payment must be multiplied by the number of payments (see F3101) in a 12 month period¹. This number must then be divided by 12 to find the calendar monthly amount.

1 [UC Regs, Sch 4, para 7\(3\)](#)

F3101 The total number of weekly payments the renter is liable for in a 12 month period shall be established using the following formulae¹. For

1. Weekly payments 52 – RFP
2. Two-weekly payments 26 – RFP
3. Four-weekly payments 13 – RFP

F3102 Where RFP is the number of rent free periods in the 12 month period in question.

F3103 A rent free period¹ is a period where the renter has no liability to make relevant payments.

Note: for the purpose of this provision the DM should take rent free periods to mean rent free weeks

Example

David pays rent of £150 every week for his one bedroom flat. His tenancy agreement allows him to have a rent free period from 4th to 31st March. Although this is a single rent free period the DM treats it as 4 rent free weeks.

$$52 - 4 = 48$$

$$48 \times 150 / 12 = \text{£}600.00$$

David's calendar monthly rent is £600.

F3104 - F3109

Room allocation F3110 - F3159

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Reasonably sized accommodation

F3110 When calculating the amount of the HCE for a renter a determination has to be made as to the size of the home it is reasonable for the renter to occupy¹. This is with reference to the number of people in the renter's extended benefit unit, F3016.

[1 UC Regs, Sch 4, para 8\(1\)](#)

Note: see ADM H5110 for how to treat rent from sub tenants

Number of bedrooms

F3111 A renter is entitled to a bedroom for¹

1. the renter or joint renters
2. a qualifying young person for whom the renter or either joint renter is responsible
3. a non dependant who is not a child
4. two children who are under 10 years old
5. two children of the same sex
6. any other child
7. a non-resident carer, where a severely disabled child or non-dependant disabled adult has overnight

care

8. both members of a couple, where they are unable to share because of disability

9. a child/children, if they satisfy the foster parent condition.

[1 UC Regs, Sch 4, para 10\(1\), 12](#)

F3112 Where a member of the extended benefit unit appears twice in the list at F3112 they will be allocated to the description that results in the fewest number of bedrooms¹.

Note 1: A claimant couple will generally be allocated only 1 bedroom between them. A non-dependant couple will be allocated 1 bedroom each but a housing costs contribution will be considered for each of them.

Note 2: Children who are transgender will not be allocated an additional bedroom. Under the current Gender Recognition Act they would be considered as having the sex noted on the birth certificate until the age of 18, when it could be changed

[1 UC Regs, Sch 4, para 10\(2\)](#)

Example 1

Ann lives with her partner, her son who is 7 and her daughter who is 8. Ann is entitled to 1 bedroom for her and her partner and another bedroom for her 2 children.

Example 2

Kevin, a single parent, lives with his 12 year old daughter and his 8 year old son. Kevin is entitled to 1 bedroom for himself and a bedroom for each of his children. This is 3 bedrooms in total.

Example 3

Angelina and Brad have 4 children. Two boys, Joseph who is 15 and Harry who is 6. The other children are girls, Amelia who is 12 and Romany who is 8.

Joseph and Harry are both boys so can be allocated 1 room for both of them.

Amelia and Romany are both girls so can be allocated 1 room for both of them. This would mean two rooms for the children.

Alternatively, it is possible that having allocated Amelia and Romany a shared bedroom, Joseph and Harry could be allocated a room each. As the first calculation results in fewer bedrooms that will be the number of bedrooms allocated for the purpose of F3112.

F3113 When determining the number of rooms a renter is entitled to, regard must be had to¹

1. the treatment of temporary absence of members of the renter's extended benefit unit (F3016)
2. any entitlement to an extra bedroom for overnight care (F3131)
3. the additional requirements in F3211 et seq (in the Private Rental Sector and temporary accommodation).

1 [UC Regs, Sch 4, para 10\(3\)](#)

F3114 - F3120

Temporary absence of a member of the renter's extended benefit unit

F3121 Where a member of the renter's extended benefit unit is temporarily absent from the renter's home they will continue to be included in the calculation of the number of bedrooms in the circumstances set out in F3122 et seq¹.

F3122 For a child or qualifying young adult the circumstances are¹ that the calculation relates to any time

1. during the first 6 months of the absence of the child or qualifying young person for whom the renter is treated as not being responsible because they are being looked after by a LA². This applies only where immediately before the LA started looking after them they were included in the extended benefit unit of a renter whose award included the HCE³.**or**

2. during the first 6 months of the absence of the child or qualifying young person for whom the renter is treated as not being responsible because they are a prisoner⁴**and**

2.1 immediately before becoming a prisoner they were included in the extended benefit unit of a renter whose award included the HCE **and**

2.2 they have not been sentenced to a term in custody that is expected to exceed 6 months⁵ **or**

3. before the renter ceases to be responsible, under prescribed legislation⁶, for a child or QYP who is temporarily absent⁷.

Note 1: See also chapter F1 for further guidance on the temporary absence of a child or QYP.

Note 2: A person will have to be sentenced to a period of more than 1 year before their duration of detention is expected to extend beyond 6 months.

1 [UC Regs, Sch 4, para 11\(2\)](#); 2 [Reg 4\(6\)\(a\)](#); 3 [Sch 4, para 11\(2\)\(a\)](#); 4 [Reg 4\(6\)\(b\)](#),

5 [Sch 4, para 11\(2\)\(b\)](#); 6 [Reg 4\(7\)](#); 7 [Sch 4, para 11\(2\)\(c\)](#)

Example 1

Chloe lives with her parents in a two bedroom flat. Chloe's parents are entitled to UC which includes the HCE in respect of the flat. On the 14/05/13 she is taken into care as her parents are unable to look after her. The LA start looking after her. Chloe will still be included in any determination of the number of bedrooms her parents require until 14/11/13.

Example 2

Toby lives with his parents and sister in a three bedroom house. Toby is convicted of a crime on 17/02/13 and sentenced to 2 years in prison. Toby's parents claim UC on 23/07/13. Toby cannot be included in the calculation of bedrooms the family require because he

- 1.** has been sentenced to a term in prison greater than six months **and**
- 2.** was not included in a calculation of the number of rooms immediately prior to becoming a prisoner.

Example 3

Nick is absent from mother's house for 6 weeks during school holidays during which time he is living with his father in Brighton – Nick is temporarily absent and still included in his mother's benefit unit for the whole period of absence and therefore included in any determination of the number of bedrooms she requires.

Example 4

Stan is absent in hospital for unknown period – he is considered to be temporarily absent for the next 6 months. After 5 months Stan's parents report that he will have to remain in hospital for at least a further 3 months. The DM is now aware that the absence period will exceed 6 months (5 months already passed + anticipated 3 months) and so Stan is removed from his parent's benefit assessment and any determination of the number of bedrooms they require. This change in circumstances will be effective from the first day of the assessment period in which the notification of Stan's prolonged stay is received.

Example 5

Nicola is absent from her mother's house for 6 weeks during school holidays during which time she lives with her father in Spain. No temp absence period allowed, as this absence is longer than 1 month from the outset, and she is removed from her mother's bedroom calculations from outset of her absence.

Example 6

Kris is absent from GB for medical treatment for unknown period – he is considered to be temporarily absent and included in his parent's calculation of the number of bedrooms. After 5 months it is decided that he will have to remain abroad for at least a further 3 months. The DM is now aware that the absence from GB will exceed 6 months (5 months already passed + anticipated 3 months) and so Kris is removed

from any determination of the number of bedrooms his parents require. This change in circumstances will be effective from the first day of the assessment period in which the notification of Kris' prolonged stay is received.

F3123 For a renter the circumstances are¹ that the calculation relates to any time when

- 1.** the renter's temporary absence from GB is disregarded under prescribed legislation²**or**
- 2.** the renter is a prisoner and the existing award includes the HCE when they become a prisoner³.

1 [UC Regs, Sch 4, para 11\(3\)](#); 2 [Reg 11\(1\)](#) or (2); 3 [Reg 19\(2\)](#)

F3124 For a non-dependant the circumstances are that the calculation relates to any time during¹

- 1.** the first month of the non-dependant's temporary absence from GB **and**
- 2.** a further month after **1.** above if the non-dependant's absence is disregarded because of the death of a close relative²**or**
- 3.** the first 6 months of the non-dependant's temporary absence from GB where the absence is solely in connection with treatment for illness or physical or mental impairment³ **or**
- 4.** the first 6 months that the non-dependant is a prisoner where they have not been sentenced to a term of custody that is expected to exceed 6 months**and**

where immediately before the absence the non-dependant was included in the extended benefit unit of the renter whose award included the HCE.

Note: For detailed guidance on absence and temporary absence from GB see chapter C1.

1 [UC Regs, Sch 4, para 11\(4\)](#) and [\(5\(a\)-\(c\)\)](#), 2 [Reg 11\(2\)](#), 3 [Reg 11\(3\)\(a\)](#)

F3125 Where the non-dependent is a child or step child of the renter or joint renter they will be included in a determination of the number of bedrooms for any period that they are

- 1.** a member of the armed forces **and**
- 2.** away on operations¹.

1 [UC Regs Sch 4, paras 11\(4\) & \(5\)\(d\)](#)

Example 1

Bob and Mary live with their 25 year old daughter Judith. On 15.4.14 Judith is sent on operations for 5 months. Bob claims UC which includes HCE for their 2 bedroom rented home on 10.6.14. Judith is

included in the determinations of the number of bedrooms whilst she is on operations.

F3126 "Away on operations" does not necessarily mean away from the UK, just away from the home normally occupied. It also covers pre-deployment training and post operation leave (which is described as "normalisation"). This could apply

1. to Royal Air Force personnel with immediate response duties who are based away from home for a number of months **or**

2. where members of the armed forces were deployed to assist with the Olympics.

Example 1

A two bedroom housing association property is occupied by Martin and Sarah and their adult daughter Sam, who is in the armed forces. She is then deployed on operations to assist with the Commonwealth Games. Martin and Sarah will still be entitled to the bedroom for Sam and will not be under-occupying whilst she is away on operations.

Example 2

A four bedroom council property is occupied by Warren and his adult daughter Amelia, who is in the armed forces. Warren also requires frequent overnight care from a non resident carer. Amelia is then deployed on operations in the UK from 1.12.13 to 30.6.14. Warren will still be entitled to the bedroom for Amelia and will continue to be under-occupying by one bedroom whilst she is on operations.

Example 3

Kevin and Tanya rent a two bedroom private property. Their adult son Dave, who is in the armed forces, also lives with them. They make a claim for UC on 1.4.14. Dave is deployed on operations in the UK on 1.3.14 and will not return to the property until 31.8.14. From the start of the new claim, Kevin and Tanya will be entitled to the two bedroom LHA rate.

F3127 Any non-dependant who is temporarily absent from the renter's home other than in the circumstances set out in F3124 et seq will not be treated as part of the renter's extended benefit unit if the absence exceeds, or is expected to exceed, 6 months¹.

¹ [UC Regs, Sch 4, para 11\(6\)](#)

F3128 - F3130

Additional room

F3131 A renter is entitled to an additional bedroom if they, or any person in the renters extended benefit unit or any person in respect of whom the renter satisfies the foster parent condition, satisfies¹

1. the overnight care condition (see paragraph F3132)
2. the foster parent condition (see paragraphs F3133)
3. the disabled child condition (see paragraph F3135)
4. the disabled person condition (see paragraph F3136)

However, this is subject² to paragraphs F3137 et seq below.

1 [UC regs, Sch 4, para 12\(1\) & \(A1\)](#), 2 [Sch 4, para 12\(2\)](#)

The overnight care condition

F3132 A renter (see F3131) satisfies the overnight care condition if

1. they are in receipt of
 - 1.1 the care component of DLA at the middle or highest rate **or**
 - 1.2 “AA” (including AFIP) **or**
 - 1.3 the daily living component of PIP **and**
2. one or more persons, who do not live in the renter’s home, are engaged to
 - 2.1 provide overnight care for the renter **and**
 - 2.2 stay overnight in the home on a regular basis **and**
3. overnight care is provided under arrangements entered into for that purpose¹.

1 [UC regs, Sch 4, para 12\(3\)](#)

Example 1

Dorothy, an 82 year old widow, lives alone in a 2 bedroom bungalow. She is immobile and requires overnight care. Her 3 daughters take it in turns to stay with her each night to provide care. She is entitled to an extra bedroom to accommodate whichever daughter is staying with her.

Example 2

Sandra, who is single and living alone, has a spinal injury and is in receipt of the highest rate of the care component of DLA. An assessment by her local authority found that she requires support for 24 hours a day that would be best provided by employing a team to provide live in care. Overnight, the carer has to regularly turn her in bed to ensure she does not develop bed sores. Sandra is entitled to an extra bedroom to accommodate the carer providing overnight care.

Example 3

Philip lives with his wife and is entitled to the daily living component of PIP. At night he needs assistance to get to the toilet. His wife provides this assistance. Philip is not entitled to an extra bedroom as there is no requirement for someone who does not live in the household to provide the overnight care.

The foster parent condition

F3133 A renter (see F3131), or either joint renter, are entitled to one additional room if they are

1. a foster parent **or**
2. an adopter with whom a child has been placed for adoption¹.

1 [UC Regs, Sch 4, para 12\(1\)& 29\(9A\)](#)

F3134 A foster parent includes a person who would be a foster parent but for the fact they do not currently have a child placed with them provided that any period since the date

1. when their last placement ended **or**
2. they were approved to be a foster parent, if they have not had a child placed with them

does not exceed 12 months¹.

1 [UC regs, Sch 4, para 12\(7\)](#)

The disabled child condition

F3135 A renter (F3131) satisfies the disabled child condition if

1. they, or another member of their extended benefit unit, are responsible for a child who would otherwise be expected to share a bedroom **and**
2. the child is in receipt of the care component of DLA at the middle or highest rate **and**
3. because of their disability the child is not reasonably able to share a bedroom with another child¹.

1 [UC regs, Sch 4, para 12\(6\)](#)

Example 1

Joanne and Kevin live with their two daughters and son in a local authority flat. The two girls would normally be expected to share a room as they are aged 10 and 8. The boy is 13 and therefore cannot be expected to share. The girls are both disabled; one has Down's syndrome the other has Spina Bifida. Both girls are entitled to the highest rate of the care component of DLA. This means they are not reasonably

able to share a room as the child with Down's syndrome can disrupt the sleep of, and may pose a risk to, the other child. As the girls are not reasonably able to share a room Joanne and Kevin are entitled to an additional bedroom.

Example 2

Ankush and Rita live with their three sons aged 7, 9 and 11 in a private rented sector house. Two of the three children would be expected to share a room. The 9 year old is severely autistic and suffers from night terrors and would significantly disturb the sleep of anyone sharing the same room. Because of his disability he would not be reasonably able to share a room. He is entitled to the highest rate of the care component of DLA. However, as it is appropriate for the other two children to share, he is not required to share a bedroom and Ankush and Rita are not entitled to an additional bedroom.

Example 3

Carol and Jason live with their two daughters aged 5 and 7. Their 7 year old daughter is entitled to the middle rate of the care component of DLA for day attention. Carol and Jason claim they require an extra bedroom because their 7 year old is disruptive at night and keeps their 5 year old daughter awake. The disruption occurs intermittently on average once every six months. The DM decides that it is not unreasonable in the circumstances for the two daughters to share a room. Carol and Jason are not therefore entitled to an extra bedroom.

The disabled person condition

F3136 A renter (see F3131) will also be entitled to an additional bedroom if they satisfy the disabled person condition¹ (this captures those couples who are unable to share because of disability). The disabled person condition is satisfied where the renter would be expected to share a bedroom with a joint renter **and**

1. the renter is in receipt of
 - 1.1 the care component of DLA at the middle or highest rate
 - 1.2 AA (at the higher rate)
 - 1.3 the daily living component of PIP **and**

2. because of their disability the renter is not reasonably able to share a bedroom with the joint renter¹.

Note: the definition of AA² captures claimants who are in receipt of an increase of disablement pension, payments under personal injuries schemes, an addition to a war disablement pension or an AFiP.

1 UC Regs, Sch 4, para 12(1)(d) & 12(6A); 2 reg 2

Satisfying one or more conditions

F3137 Where a renter, or one or both joint renters, satisfy the disabled child condition for one or more children they are entitled to as many bedrooms as are necessary to ensure each child has their own bedroom¹.

1 [UC regs, Sch 4, para 12\(8\)](#)

F3138 Where a renter, or one or both joint renters, satisfy two or more of

1. the overnight care condition **or**
2. the foster parent condition **or**
3. the disabled child condition **or**
4. the disabled person condition

they will be entitled to one additional bedroom for each one of the conditions that apply¹.

1 [UC regs, Sch 4, para 12\(9\)](#)

Note: No renter who is living in private sector accommodation, or in temporary accommodation as described in F3181, will be entitled to more than 4 bedrooms in total see F3211.

Example 1

Tony and his civil partner Mike are both entitled to the highest rate of the care component of DLA. Due to the severity of their disabilities they both require overnight carers to stay on a regular basis. They are entitled to one additional bedroom between them

Example 2

Rosie and Jim are foster parents to two children, Rosie also requires overnight care. They are entitled to two additional bedrooms. One for satisfying the overnight care condition and one for satisfying the foster parent condition.

F3139

Housing cost contributions

F3140 [\[See Memo ADM 05/21\]](#) The amount of the HCC deduction for each non dependant living in the claimant's home is £75.15¹.

1 [UC Regs, Sch 4, para 14\(1\)](#)

F3141 The deduction will be made after all other calculations have been made to determine the amount of relevant payments to be included in a renter's HCE¹.

Note 1: No HCC will be made from any owner occupier payments in shared ownership cases.

Note 2: For Joint tenants the overall deduction could effectively be 150% of the HCC where a joint renter is getting HB, IS, JSA, ESA or SPC.

1 [UC Regs, Sch 4, para 14\(2\)](#)

Example

Bill and Ben are joint tenants. They rent a three bedroom house from their LA. Their adult nephew lives with them. Bill is entitled to UC whereas Ben claims HB. A 50% HCC deduction is appropriate on the HB claim and for Bill's UC a full 100% HCC deduction is also appropriate.

F3142 Where the total amount of the HCC is more than the amount of rent calculated the amount of the HCE will be nil. No other reduction for housing costs contributions will be made from the renter's award of UC¹.

1 [UC Regs, Sch 4, para 14\(3\)](#)

F3143 - F3149

Circumstances where no HCC deduction will be made

Renters exempt from HCC deduction

F3150 No HCC deduction will be made where

1. the renter is

1.1 a single person **or**

1.2 a joint renter **and**

1.2.a where there is at least one joint renter¹

2. who is

2.1 blind

2.2 in receipt of the care component of DLA at the middle or highest rate

2.3 in receipt of "AA" (includes AFIP)

2.4 in receipt of the daily living component of PIP

2.5 entitled to at least one of the benefits at **2.** to **4.** above but are not in receipt of it under prescribed legislation because they are in hospital².

1 [UC Regs, Sch 4, para 15\(1\) & \(2\)](#)

2 [DLA Reg 8; AA Reg 6](#); Gen Ben Reg 21; [WR Act 12, s 86](#)

Example

Jackie and David are joint renters. They rent a two bedroom house from their LA. Their adult son lives with them. Jackie is entitled to the highest rate of DLA but it is not currently payable as she is in hospital. No HCC will be made to the HCE in these circumstances.

No HCC deduction for certain non-dependants

F3151 No HCC deduction will be made for any non-dependant who is a member of the renter's extended benefit unit where they are¹

1. under 21

2. in receipt of SPC

3. in receipt of the care component of DLA at the middle or highest rate

4. in receipt of "AA" (includes AFIP)

5. in receipt of the daily living component of PIP

6. entitled to at least one of the benefits at **2.** to **4.** above but are not receiving it under prescribed legislation because they are in hospital²

7. in receipt of CA

8. a prisoner

9. responsible for a child under 5

10. a person who is a member of the armed forces away on operations who

10.1 is the child or step child of the renter or joint renter **and**

10.2 lived with the renter, or joint renters immediately before leaving to go on operations **and**

10.3 intends to return to live with the renter or joint renters at the end of the operations.

1 [UC Regs, Sch 4, para 16\(2\)](#)

2 [DLA Reg 8](#); [AA Reg 6](#); Gen Ben Reg 21; [WR Act 12, s 86](#)

F3152 - F3159

HCE calculations involving two homes F3160 - F3179

[Renter treated as occupying single home F3160 - F3169](#)

[Move to new home delayed for adaptations for disabled person F3170 - F3171](#)

[Renter moves out of home because of reasonable fear of violence F3172 - F3179](#)

Renter treated as occupying single home

F3160 Where a renter occupies two homes but is treated as occupying a single home as in ADM Chapter F2 the renter's HCE will be determined by a single calculation for both homes¹. The calculation will include

1. all relevant payments for both homes **and**
2. the total number of bedrooms in both homes added together.

1 [UC Regs, Sch 4, para 17\(1\) & \(2\)](#)

F3161 Where

1. the renter's liability for both homes is to a provider of social housing **and**
2. if a UC award exists on 10.4.18 neither of the homes are temporary accommodation within the meaning of F3180 and F3181

the rooms of both houses will be counted up and compared to the household needs and a single calculation of the HCE will be made with reference to paragraphs F3250 et seq¹.

1 [UC Regs, Sch 4, para 17\(3\)](#)

F3162 Where F3161 doesn't apply the HCE calculation will be made with reference to paragraphs F3180 et seq¹.

Note: The LHA rate cannot exceed the 4 bedroom rate.

1 [UC Regs, Sch 4, para 17\(4\)](#)

F3163 - F3169

Move to new home delayed for adaptations for disabled person

F3170 Where the occupation condition for two homes at in ADM Chapter F2 is met, the amount of the renter's HCE is determined by¹

- 1.** calculating an amount for each home in accordance with F3180 et seq or F3250 et seq **and**
- 2.** adding those figures together.

1 [UC Regs, Sch 4, para 18\(1\)](#)

F3171 If a HCC was deducted for both homes¹, the amount of the deduction for the new home shall be added to the figure produced at F3170 **2.**

1 [UC Regs, Sch 4, para 18\(2\)](#)

Renter moves out of home because of reasonable fear of violence

F3172 Where the occupation condition for two homes at in ADM Chapter F2 is met, the amount of the renter's HCE is determined by¹

- 1.** calculating an amount for each home in accordance with F3180 et seq or F3250 et seq **and**
- 2.** adding those figures together.

1 [UC Regs, Sch 4, para 19\(1\)](#)

F3173 If a HCC was deducted for both homes, the DM must

- 1.** decide which home the claimant normally occupies as their home **and**
- 2.** add the amount of HCC for the other home to the figure produced at F3172 **2.**

F3174 - F3179

Rent and other payments in the private sector and in temporary accommodation F3180 - F3249

[Temporary accommodation F3180](#)

[The calculation of HCE in the private sector and temporary accommodation F3182 - F3210](#)

[Further size criteria that apply in the private rented sector F3211 - F3249](#)

Temporary accommodation

F3180 For the purposes of this chapter, and only when a UC award already exists on 10.4.18, temporary accommodation is accommodation where¹

1. rent payments are payable to a LA², or a provider of social housing other than a LA³
2. the LA, or provider of social housing under arrangements made with it by a LA, makes the accommodation available to the renter

2.1 to discharge any of the LA's functions under relevant legislation⁴**or**

2.2 to prevent the claimant being or becoming homeless within the meaning of prescribed legislation⁵**and**

3. the accommodation is not exempt accommodation⁵.

1 [UC Regs, Sch 4, para 21\(1\)](#); 2 [para 21\(2\)](#); 3 [para 21\(3\)](#); 4 Housing Act 1985, Part 3;

[Housing Act 1996, Part 7; Housing \(Scotland\) Act 1987, part 2;](#)

5 [Housing Act 1996, Part 7; Housing \(Scotland\) Act 1987, part 2](#)

F3181 The guidance at F3180 will apply where a UC award already exists on 10.4.18, irrespective of whether that award includes (at that time) housing costs in respect of temporary accommodation. In these cases, the claimant will retain any subsequently acquired entitlement to housing costs in respect of temporary accommodation until

1. there is a change in the amount of rent or service charge payments that the claimant is liable to make or
2. the award cease to include the housing costs element¹

1 UC Misc Amdt Regs, reg 8(2)

F3182 For new claims from 11.4.18 accommodation is temporary accommodation¹ if it falls within Case 1 or Case 2.

1 Case 1 is where—

- (a) rent payments are payable to a local authority;
- (b) the local authority makes the payments available to the renter—
 - (i) to discharge any of the local authority's functions under legislation²
 - (ii) to prevent the person being or becoming homeless within the meaning of legislation³
- (c) the accommodation is not exempt accommodation.

2 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 legislation⁴
 - (ii) to prevent the person being or becoming homeless within the meaning of legislation⁵;
- and
- (c) the accommodation is not exempt accommodation.

1. UC& Misc Amdt Regs, reg.3(12)(b) 2-5, [Part 7 of the Housing Act 1996](#), [Part 2 of the Housing \(Scotland\) Act 1987](#) or [Part 2 of the Housing \(Wales\) Act 2014](#)

The calculation of HCE in the private sector and temporary accommodation

F3183 Work out the renter's core rent (see F3190 et seq) and the renter's cap rent (see F3202 et seq), compare them and take the lower amount (if both amounts are the same take that amount).

1 [UC Regs, Sch 4, para 22, step 1](#)

F3184 Having arrived at an amount under F3182 any HCCs are deducted from it¹.

1 [UC Regs, Sch 4, para 22, step 2](#)

F3185 The amount of the renter's HCE is the amount resulting from F3183.

F3186 - F3189

Core rent

F3190 Except where F3193 et seq applies the core rent is determined by¹

1. finding the amount of each relevant payment under F3071 et seq² **then**

2. finding

2.1 the period in respect of which the payment is payable **and**

2.2 the amount of the payment in respect of a calendar month in accordance with F3080 et seq³.

1 [UC Regs, Sch 4, para 23](#); 2 [para 23 Step 1](#); 3 [Step 2](#)

F3191 Where there is more than one relevant payment the amounts found after applying F3190 **2.** to each of them should be added together for each relevant payment.

1 [UC Regs, Sch 4, para 23, Step 3](#)

F3192 The result of the calculations at F3190-191 is the renter's core rent¹.

1 [UC Regs, Sch 4, para 23](#)

Example 1

Hazel rents a two bedroom flat from a private landlord. Her rent is £550.00 a month. She does not have any service charges to pay. Her core rent is therefore £550.00 a month.

Example 2

Charlie rents a two bedroom flat from her LA. Her rent is £500.00 a month. She also pays for eligible service charges of £70.00 a month. Her core rent is £570.00.

Core rent for joint tenants

F3193 Where one or more people other than the renter are liable to make the relevant payments for the same home the calculation at F3194 et seq will be made to find the renter's core rent¹.

[1 UC Regs, Sch 4, para 24\(1\) & \(2\)](#)

F3194 The core rent for joint tenants is determined by firstly¹

1. finding the amount of each relevant payment under F3071 et seq **then**

2. finding

2.1 the period which the payment is payable **and**

2.2 the amount of the payment in respect of a calendar month in accordance with F3080 et seq **then**

3. adding all the amounts from the calculation at F3194 together

The core rent will then be determined by whichever of the circumstances in F3195 et seq apply to them.

[1 UC Regs, Sch 4, para 24\(2\)](#)

F3195 Where the only people liable to make relevant payments are listed persons the renter's core rent is the aggregate of the calculation at F3194¹.

[1 UC Regs, Sch 4, para 24\(3\)](#)

F3196 Where listed persons and one or more other people are liable to make relevant payments the result of the calculation below will be the renter's core rent¹

(A)	
—	x C
(B)	

where

A is the aggregate of the calculation at F3195

B is the total number of people who are liable to make payments

C is the number of listed persons liable to make relevant payments.

[1 UC Regs, Sch 4, para 24\(4\)](#)

Example 1

Dave and Joanne live together in a two bedroom flat. They are unrelated and share the flat to keep their outgoings down. They are both liable for the rent which is £525 a month.

$$£525 / 2 = £262.50$$

$$£262.50 / 1 = £262.50$$

Dave's core rent for the HCE of UC is £262.50

Dave's partner moves in as they are now a couple and he includes her in his claim for UC. His partner is also liable for rent. The rent is still £525 a month.

$$£525 / 3 = £175.00$$

$$£175 \times 2 = £350.00$$

Dave's core rent is now £350.00.

F3197 In cases where it would be unreasonable to allocate the aggregate amount in accordance with F3196 that aggregate amount will be allocated appropriately having regard to

1. the number of people liable **and**
2. the proportion of relevant payments each person is liable for¹.

[1 UC Regs, Sch 4, para 24\(5\)](#)

Example

Warren and Jason are brothers and are joint tenants of a three bedroom property with a monthly rent of £725.00. Warren also has his daughter living with him. The DM divides the rent between the number of tenants on the agreement given them both £362.50 core rent. Warren asks for this to be looked at again as he actually pays two thirds of the rent. The DM considers this to be a reasonable arrangement and revises the original decision to make Warren's core rent £483.34.

F3198 - F3200

Cap rent

F3201 F3202 et seq give guidance on determining a renter's cap rent.

F3202 It is necessary to determine what type of accommodation the renter is entitled to with reference to F3110 et seq and F3211 - F3238¹. The renter's cap rent is the maximum amount allowable as set out in F3203².

1 [UC Regs, Sch 4, para 25\(1\), Step 1](#); 2 [Step 2](#)

F3203 The maximum amount allowable to the renter is the local housing allowance which applies at the relevant time to¹

1. the broad rental market area in which the renter's accommodation is situated **and**
2. the type of accommodation the renter is entitled to in F3202.

1 [UC Regs, Sch 4, para 25\(2\)](#)

Example 1

Caroline lives in Basingstoke with her two children in a three bedroom house. Both her children are under ten years old so she is only entitled to 1 extra bedroom for them both. Although the LHA for a three bedroom house in Basingstoke at the relevant time is £800.02 her maximum allowable amount is restricted to £694.98, which is the 2 bedroom LHA rate.

Example 2

Paul lives in Newbury with his 5 children, two of whom are adults, the calculation at F3111 et seq would give 5 bedrooms. However his LHA rate is restricted to the 4 bedroom rate of £1,094.99. This is therefore his maximum allowable amount.

Note: LHA rates are illustrative only, and in reality will vary over time and will not be the same for different areas.

F3204 Where

1. the renter is housed in two homes but treated as occupying a single home as in ADM Chapter F2 **and**
2. a single calculation is to be made as set out in F3161 **and**
3. there is a difference in the maximum amount allowable when calculated for each home

the maximum amount allowable for the calculation at F3160 is as set out in F3205¹.

1 [UC Regs, Sch 4, para 25\(3\)](#)

F3205 The maximum amount allowable for F3204¹ is to

- 1.** be determined by reference to the home for which the amount is lower when the calculation is first made **and**
- 2.** continue to be determined with reference to that home so long as the renter is housed in those two homes as in ADM Chapter F2 **and**
- 3.** be re-determined with reference to **1.** and **2.** above on each occasion the renter is re-housed when ADM Chapter F2 still applies.

1 [UC Regs, Sch 4, para 25\(4\)](#)

Example

Justine is liable to pay rent for two flats. She has 5 children. She stays in the two bedroom flat with her youngest 2 children and her husband stays overnight at the other flat with the other 3 children. She is entitled to 4 bedrooms. The first flat is in Outer London and the 4 bedroom LHA rate at the relevant time is £1,300.00 a month. The other flat is in Inner London and the 4 bedroom LHA rate at the relevant time is £1,698.67. The maximum amount allowable is therefore £1,300.00 this being the lower of the two.

Meaning of broad market rental area

F3206 Broad rental market area means¹ the broad market area determined under prescribed legislation².

1 [UC Regs, Sch 4, para 25\(5\)](#); 2 [Rent Officers \(UC Functions\) Order 2013](#)

Meaning of local housing allowance

F3207 Local housing allowance, in relation to a broad market area, means¹ the amount determined by a rent officer for that area, under prescribed legislation².

1 [UC Regs, Sch 4, para 2\(5\)](#); 2 [Rent Officers \(UC Functions\) Order 2013](#)

Meaning of relevant time

F3208 Relevant time means¹ the time the renter's HCE is calculated in F3190 et seq.

1 [UC Regs, Sch 4, para 25\(5\)](#)

F3209 - F3210

Further size criteria that apply in the private rented sector

Four bedroom limit

F3211 When calculating a renter's HCE in F3111 - F3132 no renter is entitled to more than 4 bedrooms¹.

[1 UC Regs, Sch 4, para 26](#)

Entitlement to shared accommodation only

F3212 Any renter who is a specified renter within F3213 is only entitled to the rate relating to shared accommodation¹.

[1 UC Regs, Sch 4, para 27](#)

Specified renter

F3213 A specified renter is a renter who¹

1. is a single person (or member of a couple claiming as a single person)²

1.1 under 35 years old **and**

1.2 not an excepted person under F3231 **and**

2. is not responsible for any child or qualifying young person³ **and**

3. does not have any non-dependants⁴.

[1 UC Regs, Sch 4, para 28\(1\); 2 para 28\(2\); 3 para 28\(3\); 4 para 28\(4\)](#)

F3214 - F3230

Exception to the shared accommodation rule

F3231 An excepted person¹ is any renter who satisfies any of the conditions set out in F3232 et seq.

[1 UC Regs, Sch 4, para 29\(1\)](#)

F3232 For the purpose of F3231 a condition is that the renter is

1. aged at least 18 but under 22 years old¹ **and**

2. was a care leaver before reaching age 18.

[1 UC Regs, Sch 4, para 29\(2\);](#)

F3233

F3234 For the purpose of F3231 a condition is that, the renter is between 25 and 35 years old¹**and**

1. has, at any time, lived for a total of 3 months (whether or not continuously) in one or more hostels for homeless people **and**
2. while they were living in a hostel they were offered and they accepted support services to assist them to be rehabilitated or resettled in the community.

Note: See F3240 and F3241 for definitions of hostel and hostels for homeless people.

1 [UC Regs, Sch 4, para 29\(4\)](#)

F3235 For the purpose of F3231 a condition is that, the renter is under 35 and in receipt of

1. the care component of DLA at the middle or highest rate
2. "AA" or
3. the daily living component of PIP¹.

1 [UC Regs, Sch 4, para 29\(5\)](#)

F3236 For the purpose of F3231 a condition is that the renter is under 35 years old and satisfies the foster parent condition (ADM F3133)¹

1. [UC Regs, Sch 4, para 29\(9A\)](#)

F3237 For the purpose of F3231 a condition is that, in England and Wales¹, the renter is

1. under 35 years old **and**
2. the subject of active multi-agency risk management arrangements established by a responsible authority under prescribed legislation for assessing and managing risks posed by certain offenders².

1 [UC Regs, Sch 4, para 29\(6\)](#); 2 [The Criminal Justice Act 2003, s 325\(2\)](#)

F3238 For the purpose of F3231 a condition is that, in Scotland¹ the renter is

1. under 35 years old **and**
2. is the subject of active multi-agency risk management established under prescribed legislation² for assessing and managing risks posed by certain offenders.

1 [UC Regs, Sch 4, para 29\(7\)](#); 2 [The Management of Offenders etc. \(Scotland\) Act 2005, s 10\(1\)](#)

F3239 For the purpose of F3231 a condition is that, in Scotland¹

1. the renter is under 35 **and**

2. prescribed legislation² does not apply to the renter only because the relevant section of that legislation³ has not fully been brought into force **and**

3. the renter is considered by the Secretary of State to be a person who may cause serious harm to the public .

[1 UC Regs, Sch 4, para 29\(8\)](#); [2 The Management of Offenders etc. \(Scotland\) Act 2005, s 10\(1\)](#);
[3 s 10\(1\)\(b\) & \(d\)](#)

F3240 For the purpose of F3231 a condition is that, in Scotland¹

1. the renter is under 35 **and**

2. prescribed legislation² does not apply to the renter only because the relevant section of that legislation³ has not fully been brought into force **and**

3. the renter has been convicted and is considered by the Secretary of State to

be a person who may cause serious harm to the public.

[1 UC Regs, Sch 4, para 29\(9\)](#); [2 The Management of Offenders etc. \(Scotland\) Act 2005, s 10\(1\)](#); [3 s 10\(1\)](#)
[\(e\)](#)

Meaning of hostel

F3241 A hostel means a building¹

1. in which there is provided, for people generally or for a class of people

1.1 domestic accommodation which is not in separate and self-contained premises **and**

1.2 either board or facilities for preparing food adequate to the needs of those people, or both board and facilities **and**

2. that is

2.1 managed or owned by a provider of social housing other than a LA **or**

2.2 operated other than on a commercial basis and in respect of which funds are provided wholly or in part by a government agency or department or a LA **or**

2.3 managed by a voluntary organisation or registered charity and provides care, support or supervision with a view to helping the residents become rehabilitated or resettled within the community **and**

3. is not a care home.

1 [UC Regs, Sch 4, para 29\(10\)](#)

Meaning of hostel for homeless people

F3242 A hostel for homeless people is a hostel the main purpose of which is to provide

1. accommodation **and**

2. care, support or supervision

for homeless people with a view to assisting people to be rehabilitated or resettled in the community¹.

1 [UC Regs, Sch 4, para 29\(10\)](#)

F3243 - F3249

Rent and other payments in the social rented sector F3250 - F3999

[Reduction in certain cases of amounts to be taken into account](#) F3251 - F3260

[The calculation of the HCE in the social rented sector](#) F3261 - F3999

F3250 F3251 et seq

1. give guidance relating to renters who are liable to pay rent to a provider of social housing¹
2. where a UC award already exists on 10.4.18, do not apply to any renter in temporary accommodation²
3. apply whether or not the renter is also liable to pay service charges³.

1 [UC Regs, Sch 4, para 30\(1\)\(a\)](#); 2 [para 30\(1\)\(b\)](#) & UC Amdt Regs 18, reg 8(1); 3 [UC Regs, Sch 4, para 30\(2\)](#)

Reduction in certain cases of amounts to be taken into account

Deduction from relevant payments of amounts relating to particular accommodation

F3251 A deduction will be made from any relevant payment¹ under F3071 for any amount that the DM is satisfied

1. is included in the relevant payment **but**
2. relates to the supply of a commodity, such as water charges or fuel costs, to the accommodation for use by any member of the renter's extended benefit unit.

1 [UC Regs, Sch 4, para 31](#)

F3252 Any reduction in the amount of the claimant's rent that has been applied by a provider of social housing under an approved incentive scheme is disregarded in the calculation of the housing cost element¹.

Note: an approved tenant incentive scheme means a scheme operated by a provider of social housing and designed to avoid rent arrears by allowing reductions in rent or service charges or other advantages in return for meeting specified conditions **and** approved by the Secretary of State.

Power to apply to a rent officer if a relevant payment appears excessive

F3253 Where it appears that any relevant payment is greater than is reasonable to be met by way of the HCE¹ an application can be made to a rent officer to determine what is reasonable². The rent officer will use his statutory functions³ to determine the amount of the relevant payment.

Note 1: the rent officer is based at the LA covering the area in which the accommodation is located.

Note 2: As SRS rents are regulated, we would not consider any SRS rent to be excessive unless it exceeded the relevant LHA rate for the property by at least £50 per week and was not an affordable rent tenancy.

[1 UC Regs, Sch 4, para 32\(1\)](#); [2 para 32\(2\)](#); 3 Housing Act

F3254 Factors to be taken account include consideration of whether the rent and or service charge is unreasonably high compared to the area and what would be paid in the private sector, but also having regard to any special circumstances the claimant may have. But see Note 2 in F3253

Example 1

Frances' rent for her social sector 1 bedroom flat is £600.00 a month. The LHA in her area for a similar property is £500.00 a month. As her rent does not exceed the LHA rate by £50 per week, no referral is made to the rent officer.

Example 2

Andy lives in a 2 bedroom property. The property includes adaptation to enable him to live there. This includes a stair lift and a modified bathroom. His rent is £900 a month. The LHA rate for 2 bedroom properties is £640.00 a month. A referral is not made to the rent officer as it is considered reasonable that the rent is higher as it includes payment for the modifications.

Example 3

Liz lives in a 1 bedroom property, her rent is £380.73 a month. The LHA rate for 1 bedroom properties is £376.04 a month. A referral is not made to the rent officer as a difference of £4 a month is not considered to be unreasonable higher.

F3255 Where a rent officer determines that the amount of a relevant payment should be a lower amount, the lower amount will be used when calculating the HCE unless the DM is satisfied that it is not appropriate to use the lower amount¹.

[1 UC Regs, Sch 4, para 32\(3\) & \(4\)](#)

The calculation of the HCE in the social rented sector

The amount of HCE

F3261 The amount of the renter's HCE is calculated with the formula¹

$S - HCC$

Where

1. S is the amount from whichever of F3262 or F3263 et seq applies to the renter
2. HCC is the sum of the housing costs contributions in F3140.

¹ [UC Regs, Sch 4, para 33](#)

Determining the amount from which HCC deductions can be made

F3262 Unless F3263 applies the amount of S in F3261 is found by¹

1. establishing which relevant payments are to be taken into account (F3071 and F3252 et seq) **then**
2. calculating the calendar monthly amount of each relevant payment (F3080 et seq) **then**
3. adding all relevant payments together if there is more than one relevant payment **then**
4. deducting any under occupation deduction (F3270).

¹ [UC Regs, Sch 4, para 34](#)

Determining the amount from which HCC deductions can be made for joint tenants

F3263 Where a renter occupies a home with one or more people who are also liable to make the same payments as the renter the amount S for F3261 is found by¹

1. establishing all the relevant payments that the renter and others are liable to make and which are to be taken into account **then**
2. calculating the calendar monthly amount of each relevant payment (F3080 et seq) **then**
3. adding all relevant payments together from **2.** if there is more than one relevant payment.

The amount S will then be found by whichever of paragraphs F3265 – F3267 applies to the renter.

¹ [UC Regs, Sch 4, para 35\(1\) & \(2\)](#)

F3265 Where the only people liable to make the relevant payments are listed persons the amount S is the result of F3263 **3.**, less any under occupation deduction¹.

1 [UC Regs, Sch 4, para 35\(3\)](#)

F3266 If all the people liable for the relevant payments are one or more listed persons and one or more other people S is found by the following formula¹

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

Where

A is the result of F3263 **3.**

B is the total number of all people liable to make relevant payments (irrespective of belonging to a separate benefit unit)

C is the number of listed persons liable to make relevant payments (only within the claim unit, listed persons belonging to other claim units are ignored).

1 [UC Regs, Sch 4, para 35\(4\)](#)

Example

Clare, her husband Tony and Tony's brother and sister live together in a two bedroom flat. Clare, Tony and Tony's brother are liable for the relevant payments of £800.00. The £800 is divided by 3 (those being Clare, Tony and Tony's brother), the number of people liable to make payments. That figure is times by 2, the number of listed persons (the listed persons for this particular claim unit being Clare and Tony), giving £533.34 for S.

Note: if this consideration was applied to a claim from Tony's brother the calculation would be £800 divided by 3 (Tony's brother Clare and Tony). That figure is multiplied by 1 this being the number of listed persons in the claim unit under consideration i.e. Tony's brother.

F3267 In cases where F3266 would apply and the DM is satisfied that it would be unreasonable to determine the amount S in accordance with that paragraph, the amount in F3263 **3.** will be apportioned appropriately having regard, amongst other things, to

1. the number of people liable **and**

2. the proportion of relevant payments each person is liable for¹.

Example 1

David, his partner Anna and their 6 year old daughter live in a three bedroom house with Anna's brother Bob. The monthly rent for the property is £750.00. David, Anna and Anna's brother are liable to make the payments. The rent of £750.00 is divided by 3, the number of people liable to make payments (David, Anna and Bob). That figure is then multiplied by the number of listed people liable to make relevant payments (but only those within the claim unit under consideration) which is 2 (ie David and Anna) giving £500.00. David and Anna make representations that in fact Bob is liable to pay a half of the rent. The DM considers this to be a reasonable arrangement and uses a figure of £375.00 for David and Anna's rent.

Example 2

Jason; his partner Joanne; their 17 year old daughter (for whom they are responsible and who is in Jason and Joanne's UC Benefit Unit) and Dave live together in a three bedroom property. All are liable to make payments. The rent is £750 which is divided by the number of people liable, which is 4. This figure is then multiplied by the number of listed people, which is 3 (when considering the benefit unit of Jason, Joanne and their daughter) giving a total of £562.50. Dave is liable for a third of the rent. The DM considers this to be reasonable and uses a figure of £500.00 for Jason and Joanne's rent. (If this was Dave's claim under consideration the £750 would still be divided by 4 and multiplied by 1 giving a total of £187.50)

F3268 - F3269

Under occupancy deduction

F3270 A deduction for under occupancy will be made where the number of bedrooms the home has exceeds the number of bedrooms the renter is entitled to¹ under F3110- F3113 and F3131-F3136.

1 [UC Regs, Sch 4, para 36\(1\)](#)

F3271 The amount of the deduction is given by the formula¹

$A \times B$

Where

1. A is

1.1 in relation to any deduction in F3262 is the result of **2.** or **3.** of that paragraph **or**

1.2 in relation to any deduction in F3263 is the result of **3.** of that paragraph **and**

2. B is the relevant percentage.

F3272 If the excess is one bedroom the relevant percentage is 14%¹.

Example

John lives alone in a two bedroom flat. He is entitled to one bedroom. The rent for his flat is £500.00 a calendar month. A 14% deduction is made to the rent he pays leaving a HCE of £430.00 to be included in his award of UC.

F3273 If the excess is 2 or more bedrooms the relevant percentage is 25%¹.

Example

Janice lived with her two children in a three bedroom semi detached. The rent for the house is £600.00 a calendar month. Her two children moved out and Janice remains in the property. Janice is entitled to one bedroom. A 25% deduction is made to the rent she pays leaving a HCE of £450.00 to be included in her award of UC.

F3274 No under occupancy deduction will be made where the claimant's home is a shared ownership tenancy as in ADM Chapter F2¹.

Bedroom

F3275 For the purposes of this deduction what constitutes a bedroom is not defined. If there is a doubt about whether a room is suitable to be used as a bedroom a determination should be made by considering

1. the landlords description
2. size
3. configuration
4. natural light and electric lighting
5. ventilation
6. privacy¹

F3276 - F3999

The content of the examples in this document (including use of imagery) is for illustrative purposes only