



Welfare Rights Conference 2025

Housing costs – increasing support and reducing rent arrears

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Housing costs in two homes

Universal credit housing costs element: two homes

Help with housing costs for two homes is available through universal credit (UC) where liability for rent on two properties arises because of:

- **fear of violence or abuse** (in the accommodation normally occupied as the home). Rent liability on both properties can be met for up to 12 months, so long as there is an intention to return to the original property;
(Sch 4 para 19 Universal Credit Regulations 2013)
- a delay in moving into a new home because a disabled person (adult or child) is unable to move until **disability adaptations** are carried out. The claimant must show that the delay is reasonable. The disabled person must be getting a disability benefit: personal independence payment (PIP); attendance allowance; high or middle rate care component DLA, adult disability payment, pension age disability payment or child disability payment. In these circumstances the rent on both properties will be payable for up to one month,
(Sch 4 para 18 Universal Credit Regulations 2013)
- The claimant and their family have been **housed in two dwellings** by a housing association, local authority or other provider of social because of the number of children in the family.
(Sch 4 para 17 Universal Credit Regulations 2013)

Unable to occupy the home because of essential repairs

Claimants can get a housing costs element in their UC when they are unable to occupy their home because it requires essential repairs, and stay in other accommodation in the meantime, so long as they intend to return when the repairs are complete. The housing costs element will only be paid in respect of one home, however.

If the claimant meets the payment and liability conditions for only one of the properties, they are treated as occupying it as their home. They can get a housing costs element for the payments they make for *that* dwelling.

If they satisfy the payment and liability conditions for *both* dwellings, they are treated as only occupying their normal home – even though they are not staying there. They can get a housing costs element in respect of their normal home.
(Sch 3 para 3 Universal Credit Regulations 2013)

There is no equivalent in the universal credit (UC) Regulations to the four-week concession that allows Housing Benefit to be paid where there is an unavoidable overlap in liability for rent.

Two homes: working out the costs

If a claimant qualifies for UC while occupying, or being treated as occupying, more than one dwelling, special rules apply which determine how their housing costs element is calculated.

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- There was a delay before the claimant could move into the new home because they were **waiting for disability adaptations**, and they qualify for a housing costs element for both their former and their new accommodation.

In this scenario, the amount of the housing costs element is the sum of the housing costs in both homes, calculated for each under the rules for either a social rented sector tenancy or private sector tenancy (as appropriate). Any housing costs contribution(s) for non-dependants are applied only to the rent in respect of the previous home.

(Sch 4 para 13 Universal Credit Regulations 2013)

- The claimant is away from their normal home because of a **fear of violence or abuse**, and they are entitled to a housing costs element for both their former and current accommodation.

The amount of the housing costs element is the sum of the housing costs in both homes, calculated for each under the rules for either a social rented sector tenancy or private sector tenancy (as appropriate). Any housing costs contribution(s) for non-dependants are applied only to the rent payments for the accommodation they are determined 'normally' to occupy.

(Sch 4 para 19 Universal Credit Regulations 2013)

- The claimant is **housed in two dwellings** by a local authority, housing association or other provider of social housing because of the number of their children.

The eligible payments for both dwellings are taken into account, and the claimant is treated as having the combined number of bedrooms in both dwellings. If you pay rent to a social sector landlord for both properties, the housing costs element is calculated under the rules for social rented sector tenancies. Otherwise, your housing costs element is calculated under the rules for private sector tenancies, and special rules apply to the calculation of your cap rent.

(Sch 4 paras 17, 25(3) and 25(4) Universal Credit Regulations 2013)

Housing costs and related expenses

The Scottish Welfare Fund Guidance (April 2025) describes the circumstances in which a crisis grant or community care grant can be awarded, along with information about how the minimum amount should be calculated. (Local authorities are free to award higher amounts if they deem the applicant's circumstances make this necessary.). *Direct* support with accommodation costs is limited to certain emergency situations. This is because the SWF is intended to meet short term needs, and rent/other housing costs are generally considered to be ongoing expenses.

"7.3 A person can apply for a grant to cover:

- immediate short-term living expenses needed until their next income is due because of an emergency.
- **In an emergency situation where a person is stranded, costs for accommodation in a hostel.** In these circumstances the cost must not be covered by other local authority obligations relating to homelessness.
- for travel costs in the case of an emergency please see paragraph 6.7.
- living expenses or items where the need for them has arisen because of a disaster."

"7.23 The amount that a person is awarded for living expenses should normally be calculated as set out below. However, these rates are indicative. Local authorities should take the circumstances of the applicant into account when assessing an application to ensure that the award meets the applicant's needs. In cases where it is anticipated that the applicant will re-enter a crisis situation, a longer award should be made. Decision makers may adjust their award to take account of payments received, keeping in mind the overall objective of ensuring that the need is met. This could result in an award being made at a rate which is more or less than the UC Essentials Guarantee rate explained below, providing the award will meet the applicant's needs until the next income that is sufficient to cover living expenses is received. Local authorities should explore any additional circumstances that should be taken into account when calculating the award. Examples may include special dietary requirements and debts on pre-payment meters. Decision makers should ensure that the award made meets the period of crisis to avoid repeat applications in sequence.

For applicants who are non-householders (for example those who are generally not responsible for rent, mortgage or primary utility bills) the food and non-alcoholic drinks rate of the UC Essentials Guarantee should be used and pro-rated for the respective number of days.

For applicants who are liable for rent/mortgage/primary household bill etc or applicants who are without accommodation e.g. sofa surfing or sleeping rough, the food and non-alcoholic + Electricity and gas rates of the UC Essentials Guarantee should be used and pro-rated for the respective number of days.

The guidance rate for each dependent child would be that of the full UC child rate (born pre-2017 rate) on a pro-rata basis for the number of days until the next benefit payment is due."

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The guidance says that a grant for a debt will be refused, with an exception being made for debt on a pre-paid fuel meter. A grant can be made to cover an emergency amount and support the applicant until the end of crisis- for example, the next benefit payment day.

(SWF Guidance Annex A para 3).

Discretionary housing payments

Discretionary housing payments (DHPs) were fully devolved to Scotland in 2017, with the Scottish scheme legislated for in the [Social Security \(Scotland\) Act 2018](#). Scottish Ministers issued the first [Scottish Discretionary Housing Payments guidance manual](#) in April 2024. It was updated in May 2025.

Before the Scottish manual was published local authorities were expected to rely on the existing DWP's DHPs guidance manual alongside letters of guidance issued in relation to 'bedroom tax' and benefit cap mitigation.

Benefit cap mitigation

The DWP scheme prohibited a DHP exceeding the rental liability but there are some instances where the application of the benefit cap reduces a universal credit (UC) award by more than the rental liability.

For example:

Fiona has four children. She has an exemption from the two-child limit. Her rent is £600

Maximum UC	£2171.38
Child benefit	£337.13
Total	£2508.26

Fiona is subject to benefit cap so her UC will be reduced by £673.26.

This exceeds her rent of £600.

The Scottish DHP guidance manual states that other housing costs can be taken into account in addition to rent liability to allow the benefit cap to be mitigated in full.

8.2 In benefit cap cases a DHP award can be made above the eligible rent up to either the total amount removed by the cap, or total housing costs, whichever is lower. Housing costs are those which can be reasonably incurred in connection with housing.

3.2 Specifically in cases where individuals have been affected by the benefit cap, and have had their benefits reduced by more than their rent, further discretion should be exercised to take in to account other costs associated with housing. Any costs considered to be reasonably incurred in connection with housing to ensure the accommodation is habitable can be considered. For example, but not limited to, housing costs such as electricity, gas, heating bills, and service charges may be paid, in combination with rent, up to the level of the capped amount. LAs may make local policy decisions on what evidence of other housing costs they are willing to accept in support of a claim.

Fiona includes details of her gas and electricity bills with her DHP application which allows the local authority to award a DHP of £673.26, more than her rent, but mitigating the benefit cap in full.

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Two-child limit mitigation

The Scottish government announced plans to mitigate the two-child limit in Scotland in December 2024, with a consultation on its proposals launched in February 2025.

Regulations are yet to be laid, but Scottish government officials are working on the basis that the two-child limit mitigation will be a 'top-up payment' to UC, equivalent to the child elements omitted from the UC award.

The following calculations are based on the assumption that DWP confirm that the mitigation payment will not count as income for UC or towards the benefit cap.

Agga has three children but is exempt from the two-child limit. Her rent is £700

Maximum UC	£1978.57
Child benefit	£262.38
Total	£2240.95

She is subject to the benefit cap, so her UC award is reduced by £405.95 but this is fully mitigated by a DHP, so her income remains at £2240.95.

Fatima also has three children and her rent is £700, but she is subject to the two-child limit. Her maximum UC is lower than Agga's because it contains two child elements instead on three.

Maximum UC	1685.76
Child benefit	£262.38
Total	£1948.14

Fatima is also subject to the benefit cap, so her UC award is reduced by £113.40 but this is fully mitigated by a DHP, so her income remains at £1948.14. The DHP can only be awarded up to the maximum UC and does not mitigate the two-child limit.

Fatima is awarded a two-child limit mitigation payment of £292.81 which brings her income up to £2240.95, the same as Agga's.

If the two-child limit mitigation is implemented as described above, remember to claim both DHPs and two-limit mitigation payments.

The Early Warning System

Our work with Scottish government officials to inform the Scottish Discretionary Housing Payment Guidance and plans to mitigate the two-limit has been informed by evidence submitted to the Early Warning System. You can submit anonymous cases [online](#) or directly to kmckechnie@cpagscotland.org.uk.

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Guidance and other resources

The DWP's Advice for Decision Making:

<https://www.gov.uk/government/publications/advice-for-decision-making-staff-guide>

[ADM Chapter F2: Housing costs element](#)

[ADM Chapter F3: Support for renters](#)

[ADM Chapter A1: Principles of Decision Making and Evidence](#)

[Housing Benefit Guidance Manual](#)

CPAG resources:

[CPAG Welfare Rights Housing Costs topic page](#)

[Scottish Council tax reduction and the new Scottish benefits](#)

Scottish Welfare Fund

[Scottish Welfare Fund Guidance \(April 2025\)](#)

[Scottish Public Services Ombudsman \(SPSO\), SWF resources](#)

[SPSO Case summaries](#)

[Spotlight on the impact of Scottish Welfare Fund high most compelling priority rating](#)