EXECUTIVE NOTE

DRAFT : THE HOUSING GRANTS (ASSESSMENT OF CONTRIBUTIONS) (SCOTLAND) AMENDMENT REGULATIONS 2008

1. The above Regulations were made in exercise of the powers conferred by section 240A of the Housing (Scotland) Act 1987. The Regulations are subject to affirmative resolution procedure.

Policy Objectives

2. The Housing Grants (Assessment of Contributions) (Scotland) Regulations 2003 (the principal regulations) set out a means test which determines the amount of grant awarded by local authorities to applicants for housing improvement and repair grants. The purpose of the current Regulations is to amend the principal regulations to take account of the introduction of a new benefit, Employment and Support Allowance (ESA), by the Welfare Reform Act 2007, which is taking forward the policy of the UK Government, social security being mostly a reserved matter. As from 27 October 2008 ESA will replace incapacity benefit and income support paid on incapacity grounds to become the main income replacement benefit for people with a disability or health condition. People already in receipt of incapacity benefit or income support will continue to receive these benefits, but new applicants will receive ESA.

3. Contributory Employment and Support Allowance (Contributory ESA) is payable to people who have paid sufficient National Insurance contributions. Income-related Employment and Support Allowance (Income-related ESA) is payable to people who have not paid sufficient National Insurance contributions and have capital and household income below certain levels. The policy of the UK Government means that some people who would have received income support under the present system will not be entitled to Income-related ESA.

4. Regulation 9 of the principal regulations lists cases where any income of a relevant person in connection with an application for housing improvement and repair grant is to be disregarded. Such people are defined in terms of the receipt of certain benefits. The fact that such benefits are payable means that a test of income has already taken place. The list includes a person in receipt of income support. A person in receipt of Income-related ESA is to be added to this list.

5. Regulation 26(1)(b) lists cases where, if a relevant person has no spouse, a deduction from assessed income is made. The list includes a person in receipt of incapacity benefit. A person in receipt of Contributory ESA is to be added to this list. In both cases, receipt of the benefit will result in an allowable deduction of £35 a week.

6. The Regulations also insert definitions of Income-related ESA and Contributory ESA into the principal regulations.

Consultation

7. A consultation on these regulations was not considered necessary, since they are intended to ensure that people receiving ESA are in the same situation as they would be if

they were receiving income support or incapacity benefit. However, the planned changes were discussed with CoSLA and Ownership Options.

Financial Effects

8. These Regulations have no significant financial effects on the Scottish Government, local authorities, business, charities or the voluntary sector.

Scottish Government
Directorate of Housing and Regeneration
August 2008