EXPLANATORY MEMORANDUM TO

The Housing Benefit (Amendment) Regulations (Northern Ireland) 2011

S.R. 2011 No. 51

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department for Social Development to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under sections 122(1)(d), 129A(2) to (4) and 171(1) and (3) to (5) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 and is subject to the negative resolution procedure.

1.3. The rule is due to come into operation on 18 March 2011 and 1 April 2011.

2. Purpose

2.1. The purpose of the Regulations is to amend the Housing Benefit Regulations (Northern Ireland) 2006, the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations (Northern Ireland) 2006 and the Housing Benefit (Executive Determinations) Regulations (Northern Ireland) 2008.

3. Background

3.1. The Regulations make provision for some of the housing benefit measures announced by the Chancellor in the Emergency Budget on 22 June 2010. Housing benefit expenditure in Northern Ireland in respect of rent allowance in the private rented sector increased from £227.7m in 2008-09 to £278.1m in 2009-10. The changes are intended to provide a fairer and more sustainable housing benefit scheme by taking steps to ensure that people on benefit are not living in accommodation that would be out of reach of many people in work. They will also begin to deal with the disincentives to work in the current system created by high rates of benefit.

3.2. The changes to local housing allowance affect claimants in the deregulated private rented sector (and not those on the previous local reference rent scheme) and do not affect Housing Executive or housing association tenants.

3.3. The changes have the effect of limiting the amount of housing benefit that can be awarded under the local housing allowance arrangements from 1 April 2011 by: removing provision for local housing allowance rates for larger bedroom properties so that the maximum level is for a 4-bedroom property; introducing absolute caps so that local housing allowance weekly rates cannot exceed £250 for a one-bedroom property, £290 for a 2-bedroom property, £340 for a 3-bedroom property and £400 for a 4-bedroom property; providing for local housing allowance rates to be set at the 30th percentile of rents in each broad rental market area, rather than the

median; and removing the (up to) £15 per week excess benefit which some claimants can receive.

3.4. The changes will come into effect for new claims from 1 April 2011. For existing claimants there is provision for up to 9 months' transitional protection from the date their claim is reviewed by the Housing Executive, in practice meaning many existing claimants will not be affected until after January 2012 and some will not be affected until December 2012.

3.5. In addition to transitionally protecting existing claimants, the Department has secured increased funding for discretionary housing payments to give the Housing Executive more flexibility to provide additional support where it is most needed. This could be, for example, to act as a safety net for claimants who need to find alternative accommodation, or longer term support for claimants who are less able to move to new accommodation. Current discretionary housing payments funding is £1.142m a year and this will be increased by 50% in 2011-12 and tripled from 2012-13.

3.6. Provision is also made for an additional bedroom within the size criteria used to assess housing benefit claims in the private rented sector where a disabled person, or someone with a long term health condition, has a proven need for overnight care and it is provided by a non-resident carer who requires a bedroom.

4. Matters of Special Interest to the Social Development Committee

4.1. None.

5. Consultation

5.1. There was public consultation on housing benefit reform which commenced on 15 December 2009 and concluded on 22 February 2010. The equivalent Great Britain provisions have been subject to consultation with Local Authority Associations and the Social Security Advisory Committee. The Social Security Advisory Committee agreed that it did not require the proposals for these Regulations to be formally referred to it.

6. Position in Great Britain

6.1. The amendments mirror provisions for Great Britain contained in the Housing Benefit (Amendment) Regulations 2010 and the Rent Officers (Housing Benefit Functions) Amendment Order 2010 and are in keeping with the principal of parity between Northern Ireland and Great Britain in social security matters.

7. Equality Impact

7.1. In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department conducted a screening exercise of the proposals. It concluded that the proposals do not have significant implications for equality of opportunity and therefore considered that an equality impact assessment was not necessary.

8. Regulatory Impact

8.1. These Regulations do not require a Regulatory Impact Assessment as they do not impose any additional costs or savings on business, charities or voluntary bodies.

9. Financial Implications

9.1. None for the Department. After the provision for an additional bedroom for a non-resident carer and additional funding for discretionary housing payments, this package of measures will achieve overall net savings for Treasury.

10. Section 24 of the Northern Ireland Act 1998

10.1. The Department has considered its obligations under section 24 of the Northern Ireland Act 1998 and is satisfied that the Rules: are not incompatible with the Convention rights; are not incompatible with Community law; do not discriminate against a person or class of person on the ground of religious belief or political opinion; and do not modify an enactment in breach of section 7 of the Northern Ireland Act 1998.

11. EU Implications

11.1. Not applicable.

12. Additional Information

12.1. Not applicable.