EXPLANATORY MEMORANDUM TO

THE HOUSING-RELATED FUNCTIONS OF THE DEPARTMENT OF FINANCE (EXERCISE BY THE HOUSING EXECUTIVE) REGULATIONS (NORTHERN IRELAND) 2022

2022 No. 27

1. Introduction

1.1 This explanatory memorandum has been prepared by the Department for Communities (DfC) and makes a Statutory Rule by the negative resolution procedure under powers conferred as a consequence of Section 21 (1), (2)(a) and (3)(d) of the Housing (Amendment) Act (Northern Ireland) 2011.

2. Purpose of the instrument

2.1 The Statutory Rule will prescribe the functions that will transfer from Land and Property Services (LPS) in the Department of Finance (DoF) and will be carried out by the Northern Ireland Housing Executive (NIHE) to administer Housing Benefit (HB) for Rates and Low Income Rate Relief (LIRR) for Owner Occupiers.

3. Discussion and consultation

3.1 Section 126(3) of the Social Security Administration (NI) Act 1992 (DfC primary legislation) prescribes that DoF are statutorily responsible for HB and LIRR for Owner Occupiers whilst the NIHE are responsible for the same in the public and private rented sectors.

3.2 In April 2018, DoF and DfC commissioned a review of the delivery arrangements for HB (Rates) and LIRR for Owner Occupiers to identify potential improvements in the customer journey and to maximise efficiencies in its administration. This review identified the preferred option was to transfer the delivery of HB and LIRR for Owner Occupiers from LPS to the NIHE.

3.3 This had a number of anticipated benefits which resulted from the NIHE, given its vast experience in delivering HB to the rented sectors, delivering HB to all customers regardless of housing tenure. These benefits included reduced administration costs including financial savings resulting from a single IT system, LPS being able to focus on its core business, reduced fraud and error in the Owner Occupier caseload, and an improved customer journey.

3.4 In the absence of being in a position to amend the primary DfC legislation to transfer statutory responsibility for HB (Rates) and LIRR for Owner Occupiers from DoF to DfC it was agreed by DoF and DfC to instead make regulations using Section 21 of the Housing (Amendment) Act (Northern Ireland) 2011. S21 provides DfC with the power to make regulations enabling the NIHE to enter into prescribed arrangements in relation to the exercise of prescribed housing-related functions of statutory authorities if the arrangements are likely to lead to an improvement in the way in which those functions are exercised.

3.5 After careful consideration, DfC determined that the administrative arrangements of HB and LIRR Schemes for Owner Occupiers is a housing-related function for the

purposes of Section 21 of the Housing (Amendment) Act (NI) 2011, and is also highly likely to lead to an improvement in its delivery.

3.6 Whilst administration of the service will transfer from June 2022 to the NIHE, DoF will remain statutorily (and financially) responsible for the HB and LIRR for Owner Occupiers until such times as the primary legislation can be amended to the same effect, which will provide a more permanent solution and a better strategic fit for the delivery of this service.

3.7 There is no requirement to consult on the Statutory Rule.

4. Human Rights and Equality Impact

4.1 The regulations do not engage any Convention rights.

4.2 Both LPS and DfC have completed Equality Screenings on the transfer of the administration of HB (Rates) and LIRR for Owner Occupiers from LPS to the NIHE, and no equality issues relating to designation have been identified. These screenings concluded that there was no need to proceed to an Equality Impact Assessment.

4.3 Consideration has been given to compliance with Section 75 of the Northern Ireland Act 1998 and no further equality issues relating to designation have been identified.

5. Regulatory Impact Assessment

5.1 The Housing-Related Functions of the Department of Finance (Exercise by the Housing Executive) Regulations (Northern Ireland) 2022 does not require a Regulatory Impact Assessment as it does not impose any new costs on business, charities or voluntary bodies.