

EXPLANATORY MEMORANDUM TO
THE HOUSING BENEFIT (ABOLITION OF THE FAMILY PREMIUM AND
DATE OF CLAIM) (AMENDMENT) REGULATIONS (NORTHERN
IRELAND) 2016

SR 2016 No. 310

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), 131(1), 132(1), (3) and (4) and 171(1), (3) and (4), of the Social Security Contributions and Benefits (Northern Ireland) Act 1992, sections 5(1)(b) and 165(1) and (5) of the Social Security Administration (Northern Ireland) Act 1992, and section 60(1) to (4) of the Child Support, Pensions and Social Security Act (Northern Ireland) 2000, and is subject to the negative resolution procedure.

2. Purpose

- 2.1. This Statutory Rule amends the Housing Benefit Regulations (Northern Ireland) 2006 and the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations (Northern Ireland) 2006 to abolish the Family Premium for all Housing Benefit entitlements arising on or after the coming into operation date specified in this Statutory Rule, and for those who cease to have responsibility for any children or young people after that date, or who become responsible for such a person after that date.
- 2.2. The Statutory Rule also restricts the period to which a Housing Benefit claim can be backdated for working-age claimants to one month.
- 2.3. The Statutory Rule also amends The Discretionary Financial Assistance Regulations (Northern Ireland) 2001 to extend the use of Discretionary Housing Payments to those tenants in the social rented sector who may be affected by the removal of the Family Premium.

3. Background

- 3.1. The Chancellor, in his Summer Budget statement of July 2015, announced that the Family Premium would be removed from Housing Benefit for new claims and new births from April 2016. The Chancellor also stated that from April 2016, Housing Benefit claims would be backdated for a maximum of one month.
- 3.2. The Family Premium is currently an addition to the Housing Benefit (HB) applicable amount. The applicable amount is used in calculating HB entitlement, principally for claimants who do not have linked entitlement to full eligible HB because they are not in receipt of another income-related benefit. For such claimants, the amount of HB entitlement is

calculated by applying a taper (65%) to any income in excess of the applicable amount.

- 3.3. Removing the Family Premium helps to simplify the overly-complex HB system and should therefore reduce administration costs.
- 3.4. Under current rules, working-age HB claimants may have their HB claim treated as made from a date up to 6 months before they make their claim for HB, but only if they can show 'continuous good cause' for the delay in making their claim.
- 3.5. A Discretionary Housing Payment is an extra payment which helps pay the difference between the rent charged by a landlord (the contractual rent) and the rent used by the Northern Ireland Housing Executive to work out a claimant's entitlement to Housing Benefit. Discretionary Housing Payments are administered by the Northern Ireland Housing Executive.
- 3.6. Discretionary Housing Payments in Northern Ireland have been restricted to claimants whose rent is calculated under local housing allowance or local reference rent rules (private sector tenancies), as changes to Housing Benefit legislation since the introduction of local housing allowance in 2008 have only affected private sector tenants financially.
- 3.7. The removal of the Family Premium from Housing Benefit will affect some claimants renting in the social rented sector, and the use of Discretionary Housing Payments will be extended to ensure those tenants impacted by the change can apply for a Discretionary Housing Payment to help bridge the financial gap.

4. Consultation

- 4.1. This policy has not been subject to public consultation.

5. Equality Impact

- 5.1. In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department has conducted a screening exercise on these legislative proposals and has concluded that the proposals do not have any significant implications for equality of opportunity. In light of this, the Department considers that an equality impact assessment is not necessary.

6. Regulatory Impact

- 6.1. 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.

7. Financial Implications

- 7.1. None.

8. Section 24 of the Northern Ireland Act 1998

- 8.1. The Department has also considered its obligations under section 24 of the Northern Ireland Act 1998, and considers that these Regulations are not incompatible with the Convention rights, are not incompatible with Community law, do not discriminate against any person or class of person on the ground of religious belief or political opinion and do not modify any enactment in breach of section 7 of the Northern Ireland Act 1998.

9. EU Implications

9.1. Not Applicable.

10. Parity or Replicatory Measure

10.1. These Regulations are equivalent to the Housing Benefit (Abolition of the Family Premium and date of claim) (Amendment) Regulations 2015 (SI 2015/1857) which were made on 3rd November 2015 and restore parity between Northern Ireland and Great Britain in social security matters.

11. Additional Information

11.1. Not Applicable.