

EXPLANATORY MEMORANDUM TO

The Housing Benefit (Executive Determinations) (Amendment) Regulations (Northern Ireland) 2012

S.R. 2012 No. 157

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) 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 2 April 2012.

2. Purpose

- 2.1. The purpose of the Regulations is to amend the Housing Benefit (Executive Determinations) Regulations (Northern Ireland) 2008 (“the Executive Determinations Regulations”) in relation to the way in which broad rental market areas and the local housing allowance rates used in the calculation of housing benefit are determined.

3. Background

- 3.1. Under the current local housing allowance arrangements, entitlement to housing benefit is calculated by reference to the local housing allowance rates determined monthly by the Northern Ireland Housing Executive for the broad rental market area in which the property is situated. The Housing Executive collects market evidence of rents in these areas and then sets rates at the 30th percentile of rents for each category of dwelling for which it is required to determine a local housing allowance. The local housing allowance rate appropriate at the date of claim is the maximum level of rent which can be met by housing benefit and that is reviewed a year later at the anniversary date of the claim, or at the date of a relevant change of circumstances, using the local housing allowance rate at that time.
- 3.2. From April 2013, local housing allowance rates will be set annually at the lower of the previous local housing allowance rate up-rated by the Consumer Prices Index (“CPI”) published for the previous September, or the 30th percentile of local market rents in the previous September.
- 3.3. The Department will also be able to review the local housing allowance rate, or up-rate it by some other method if increases in the rental market and the CPI are out of sync and this is causing a critical lack of suitable housing.
- 3.4. Local housing allowance rates will be fixed from April 2012, to establish the baseline from which they will be up-rated in future.
- 3.5. To keep broad rental market areas stable while welfare reforms are ongoing, where one or more broad rental market areas need to be adjusted,

a broad rental market area determination can only be made with the agreement of the Department.

4. Matters of Special Interest to the Social Development Committee

4.1. None.

5. Consultation

5.1. There was no statutory requirement to consult on the equivalent Great Britain Order or for its reference to the Social Security Advisory Committee. The Social Security Advisory Committee agreed that it did not require the proposed Regulations to be formally referred.

6. Position in Great Britain

6.1. The Regulations mirror the Great Britain Order 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.

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.