

WELFARE REFORM ACT 2007

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

PART 2: Housing benefit and council tax benefit

Section 37: Payment of housing benefit

200. Currently under section 134 of the Social Security Administration Act 1992, and the housing benefit rules, housing benefit in the social sector must take the form of a rent rebate where the local authority administering housing benefit is the landlord. In other cases, it must take the form of a rent allowance. Both rent rebates and rent allowances can be paid by way of rebate to or by payment to the claimant (which includes someone on his behalf), or by a combination of rebate and payment to the claimant. Where the authority is the landlord it has an effective choice as to the manner of payment. Where the authority is not the landlord it cannot rebate the claimant's rent account and has to pay the claimant or someone on his behalf (such as a landlord, or a third party). Regulations set out the circumstances in which payment must or may be made to someone other than the claimant.
201. *Section 37* amends section 134 of the Social Security Administration Act. Section 37 replaces section 134(2) of the Social Security Administration Act with new subsections (2), (2A) and (2B). These allow for regulations to be made specifying the manner in which payment must be made. This would, for example, enable secondary legislation to prescribe when payment is to be made directly to the claimant, or to someone on their behalf or in respect of the liability the claimant has; or by rebating the claimant's rent account; or by a combination of these methods. This would ensure that the Secretary of State could ensure that payments were made to claimants, even where the local authority was the landlord.