

EXPLANATORY MEMORANDUM TO
THE WELFARE REFORM ACT 2012 (CONSEQUENTIAL AMENDMENTS)
REGULATIONS 2013

2013 No. 1139

1. This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.

2. Purpose of the Instrument

The purpose of this instrument is to make amendments to the Discretionary Financial Assistance Regulations 2001 (<http://www.dwp.gov.uk/docs/a8-2405.pdf>) to allow Universal Credit claimants who have a rental liability to have access to the Discretionary Housing Payments Scheme.

3. Matters of special interest to the Joint Committee on Statutory Instruments

None.

4. Legislative Context

The Welfare Reform Act 2012 (Consequential Amendments) Regulations 2013 make amendments to the Discretionary Financial Assistance Regulations 2001 to allow a local authority to make Discretionary Housing Payments in respect of housing costs where a person is entitled to Universal Credit with an amount for housing costs to meet a rental liability. The Regulations come into force on 10th June 2013.

5. Territorial Extent and Application

This instrument applies to Great Britain.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

• *What is being done and why*

7.1 The Discretionary Financial Assistance Regulations provide the legal framework that allows local authorities to pay Discretionary Housing Payments. These payments may be awarded, in addition to any welfare benefit, when a local authority considers that a claimant requires further financial assistance towards housing costs.

7.2 Currently the regulations provide that only claimants who are in receipt of Housing Benefit who require further financial assistance with housing costs may apply for a payment. These amendments will ensure that Universal Credit claimants who have a rental liability can also apply for a Discretionary Housing Payment if they require further financial assistance

with housing costs. The changes need to be in place as soon as possible to ensure that claimants in the Universal Credit Pathfinder can apply for a Discretionary Housing Payment if required. They will also ensure that a local authority can make a Discretionary Housing Payment to a person who does not have housing costs included within their Universal Credit calculation because they live in supported exempt accommodation.

- ***Consolidation***

7.3 Consolidation of the existing regulations is not proposed but ‘The Law Relating to Social Security’ (The Blue Volumes) provides a consolidated version of the regulations and will incorporate the amendments made by this instrument. This publication is available free of charge on the internet at

<http://www.dwp.gov.uk/publications/specialist-guides/law-volumes/the-law-relating-to-social-security>).

8. Consultation outcome

8.1 As these Regulations are made within six months of the provisions in the Welfare Reform Act 2012 coming into force there is no requirement to consult the Social Security Advisory Committee. We will however explain the changes to the Social Security Advisory Committee.

8.2 Local authorities have agreed that further consultation on these amendments is not necessary as a detailed consultation was carried out on the Discretionary Housing Payment guidance in 2012. A copy of the Government’s response to this consultation can be found at <http://www.dwp.gov.uk/consultations/2012/discretionary-housing-payments.shtml>.

9. Guidance

9.1 The Department will publicise the changes through appropriate channels such as the DWP website when the regulations are laid to make sure that people likely to be affected are aware of the changes.

9.2 Comprehensive guidance will be provided for operational staff to assist them with the effective delivery and communication of these changes prior to the changes taking effect.

10. Impact

10.1 This legislation has no direct impact on the private sector or civil society organisations.

10.2 There is an impact on the public sector but this will be minimal.

10.3 An updated impact assessment to cover the removal of the spare room subsidy was published on 28 June 2012 and is available on the DWP website:

<http://www.dwp.gov.uk/docs/social-sector-housing-under-occupation-wr2011-ia.pdf>

11. Regulating small business

The legislation does not apply to small business.

12. Monitoring and review

12.3 The use of Discretionary Housing Payments to support people affected by the welfare reforms will be monitored and details of the information local authorities have been asked to provide can be found at <http://www.dwp.gov.uk/docs/a11-2013.pdf>

13. Contact

Andrea Teale at the Department for Work and Pensions Tel: 0113 232 7801 or email: Andrea.teale@dwp.gsi.gov.uk can answer any queries regarding the instrument.