

**EXPLANATORY MEMORANDUM TO**

**THE HOUSING BENEFIT (EXECUTIVE DETERMINATIONS)**  
**(AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2015**

**S.R. 2015 No. 2**

**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), 129(A)(2) and 171(1), (3) to (5) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 and now vested in it, and is subject to the negative resolution procedure.

**2. Purpose**

- 2.1. The purpose of this instrument is to amend the Housing Benefit (Executive Determinations) Regulations (Northern Ireland) 2008 (S.R. 2008 No. 100) to:
  - make changes to how and when the Local Housing Allowance (LHA) is determined; and
  - identify which LHA rates should be increased by up to 4%, rather than the lower of the previous rates increased by 1% or the 30th percentile of market rents, based on the category of accommodation and the broad rental market area.

**3. Background**

- 3.1. In the Autumn Statement 2012, the Coalition Government announced changes to the annual up-rating of LHA rates in 2014/15 and 2015/16 by restricting increases in most areas to a maximum of 1%. This meant that

for over the two years, rates would increase either by 1% or to the 30th percentile of local rents, whichever was the lower of the two. The coalition Government set aside 30% of the forecast savings from this measure, to establish a Local Housing Allowance Targeted Affordability Fund. This Fund would help prevent areas becoming unaffordable for Housing Benefit claimants, once the 1% limit was introduced by increasing some LHA rates beyond the 1% restriction up to a maximum of 4%.

- 3.2. The Department made two sets of Regulations based on this policy in 2013. The initial Regulations, The Housing benefit (Executive Determinations) (Amendment) Regulations (Northern Ireland) 2013 (S.R. 2013 No. 209), limited the LHA rate from 1 April 2014 to the lower of either the 30th percentile of market rents or the previous rate increased by 1%. These Regulations also changed the date of determinations to align uprating of LHA in line with the annual uprating of other social security benefits each April.
- 3.3. The second set of Regulations, (The Housing Benefit (Executive Determinations and Local Housing Allowance) (Amendment) Regulations (Northern Ireland) 2013 (S.R. 2013 No. 303), set out an alternative method for determining the LHA rates, depending on the category of dwelling and the Broad Rental Market Area in which it is situated. The Regulations also provided for the uprating of LHA rates to a maximum of 4% where those LHA rates have diverged the most from market rents.

#### **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 conducted a screening exercise and concluded that the changes did not have any significant implications for equality of

opportunity. In light of this, the Department considered that an equality impact assessment was 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. A breach of parity in this matter may incur financial costs, both in the loss of benefit savings and in administration costs, which would have to be met by the Northern Ireland Executive from the Northern Ireland block grant.

## **8. Section 24 of the Northern Ireland Act 1998**

8.1. The Department has considered section 24 of the Northern Ireland Act 1998 and is satisfied that the Rule –

- (a) is not incompatible with any of the Convention rights;
- (b) is not incompatible with Community law;
- (c) does not discriminate against a person or class of person on the ground of religious belief or political opinion; and
- (d) does not modify an 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. The Regulations mirror those provisions contained in the Rent Officers (Housing Benefit and Universal Credit Functions) (Local Housing Allowance Amendments) Order 2014 (S.I. 2014/3126) for Housing

Benefit only, and are in keeping with the principle of parity between Northern Ireland and Great Britain in social security matters. The provisions relating to Universal Credit cannot be brought forward in Northern Ireland as Universal Credit does not have a statutory basis.

## **11. Additional Information**

11.1. Not applicable.