

EXPLANATORY MEMORANDUM TO

THE HOUSING BENEFIT AND UNIVERSAL CREDIT (CARE LEAVERS AND HOMELESS) (AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2021

S.R. 2021 No. 118

1. Introduction

- 1.1 This Explanatory Memorandum has been prepared by the Department for Communities to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2 The Statutory Rule is made under sections 129A(2), (3) and (4) and 171(3) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 and Articles 16 (4) and (5)(b) and 48(1) the Welfare Reform (Northern Ireland) Order 2015, and is subject to the negative resolution procedure.

2. Purpose

- 2.1 This Statutory Rule extends the age bands within which two existing exemptions from the Local Housing Allowance – Shared Accommodation Rate, can be applied. The care leavers exemption is being extended so that it applies up to the age of 25 instead of age 22, while the existing lower age limit of 25 has effectively been removed from the homeless hostel exemption.

3. Legislative Context

- 3.1 The Housing Benefit Regulations (Northern Ireland) 2006 (S.R. 2006 No. 405) and the Universal Credit Regulations (Northern Ireland) 2016 (S.R. 2016 No. 216) each set out the appropriate rate of Local Housing Allowance (“LHA”) to use.
- 3.2 This Statutory Rule amends both sets of regulations to change the age limits to existing shared accommodation rate exemptions for care leavers and those who have spent at least 3 months in a homeless hostel.

4. Background

- 4.1 Local Housing Allowance (LHA) was originally introduced in 2008 as a way of calculating the maximum amount of housing support payable to people within the private rented sector. It applies to private rented sector tenants claiming Housing Benefit and those claiming Universal Credit within that sector.
- 4.2 The shared accommodation rate is the lowest rate of housing support payable and is based on individuals living in shared accommodation. The principle that young, single people living in the private rented sector should have their housing support limited to a rate appropriate for shared accommodation was introduced as early as 1996. The Shared Room Rate, as it was previously known, applied to those under 25 years of age and continued with the introduction of LHA in 2008.
- 4.3 In January 2012, as part of the package of reforms to LHA, the age threshold for the shared accommodation rate was extended from under 25 to under 35. However, several exemptions from the shared accommodation rate provided additional support to certain vulnerable people, who can instead claim the higher, one-bedroom rate.

- 4.4 Since the introduction of LHA, care leavers up to the age of 22 have been able to claim an exemption from the shared accommodation rate. When the age threshold was extended in 2012, a new exemption was introduced for those aged between 25 and 34 who have spent at least three months (which does not have to be continuous) in a homeless hostel that specialised in rehabilitation and resettlement. To benefit from this exemption, an individual would need to have been offered and to have accepted support services to enable them to be rehabilitated or resettled in the community.
- 4.5 In the March 2020 Budget, it was announced that changes to the care leavers and homeless hostel shared accommodation rate exemptions would be introduced and would benefit those at risk of homelessness, with effect from October 2023. However, the recent Budget Statement in March 2021 announced that, in recognition of the impact of Covid-19 on those in receipt of the shared accommodation rate, the introduction of the proposed changes would be brought forward by over two years, to 31 May 2021.
- 4.6 The care leaver's exemption will now apply up to age 25 – three years longer than is currently the case. This extension which is highly beneficial will support continuity of accommodation and provides those leaving care with an additional 3 years to establish links, build support networks, and hopefully find employment.
- 4.7 The homeless hostel exemption will be extended to remove the lower age threshold. Those under the age of 25 who have a history of homelessness can face the same issues with resettlement as those who are older. In addition, the fact that someone is homeless may mean that they are less likely to have family support. It is widely recognised that one of the reasons for homelessness is often the breakdown of relationships. Extending this exemption, helps to support younger people to secure suitable move-on accommodation and will assist with the efforts to end rough sleeping.

5. Consultation

- 5.1 There is no requirement to consult on these Regulations.

6. Equality Impact

- 6.1 In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department will conduct an equality screening exercise on the legislative proposals for this Statutory Rule.

7. Regulatory Impact

- 7.1 The proposed Rule does not require a Regulatory Impact Assessment as it does not impose any new costs on business, charities or voluntary bodies or on the public sector.

8. Financial Implications

- 8.1 None for the Department.

9. Section 24 of the Northern Ireland Act 1998

- 9.1 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.

10. EU Implications

10.1 Not applicable.

11. Parity or Replicatory Measure

11.1 These Regulations are equivalent to the Housing Benefit and Universal Credit (Care Leavers and Homeless) (Amendments) Regulations 2021 (S.I. 2021/546) in Great Britain which come into force on 31st May 2021.

12. Additional Information

12.1 The Department for Communities will issue guidance to staff prior to this Statutory Rule becoming operational.