

**EXPLANATORY MEMORANDUM FOR THE HOUSE OF LORDS SELECT
COMMITTEE ON THE MERITS OF STATUTORY INSTRUMENTS**

**THE SOCIAL SECURITY (STUDENTS AND INCOME RELATED BENEFITS)
AMENDMENT REGULATIONS 2004 No.1708**

DEPARTMENT FOR WORK AND PENSIONS

**This explanatory memorandum is laid before Parliament by Command of her
Majesty**

DESCRIPTION

1. These Regulations amend the Income Support (General) Regulations 1987 (S.I. 1987/1967), the Housing Benefit (General) Regulations 1987 (S.I. 1987/1971), the Council Tax Benefit (General) Regulations 1992 (S.I. 1992/1814) and the Jobseeker's Allowance Regulations 1996 (S.I. 1996/207) ("the Income-related Benefit Regulations").

POWERS

2. These Regulations are made in exercise of powers conferred upon the Secretary of State by section 123(1)(a), (d) and (e), sections 136(3) and (5)(b), sections 137(1) and 2(h), sections 175(1), (3) and (4) of the Social Security Contributions and Benefits Act 1992 and sections 12(1) and (4)(b), section 35(1) and sections 36(2) and (4) of the Jobseekers Act 1995.

PARLIAMENTARY PROCEDURE

3. The Regulations are subject to the negative procedure and come into force on 1st August 2004.

POLICY OBJECTIVE

4. Most full-time students are not eligible to claim any of the income-related benefits (Income Support, Housing Benefit, Council Tax Benefit, Income-based Jobseeker's Allowance). Exceptions are made, however, for students who fall into the "vulnerable group" (in the main, lone parents, student couples with children or students with disabilities).
5. For those students who are entitled, there are specific regulations governing the treatment of their income. Each year at the beginning of August, in time for the start of the academic year in Scotland, the Income-related Benefit regulations are amended to take account of changes to the student support system and, in particular, increase the amounts to be disregarded for books and equipment and travel costs in assessing income from student loans or personal maintenance grants.

6. These Regulations, therefore, increase the disregards for books and equipment and travel costs in line with this year's increase in the level of student support and take account of changes in provision for students' child care costs by introducing a new disregard for grants intended to cover child care.
7. In addition the Regulations replace the disregard provisions for Education Maintenance Allowances paid to young people over age 16 in non-advanced education to reflect changes following the introduction of the new national scheme. The Regulations also remove an exclusion that stops students who are eligible for Housing Benefit, from claiming benefit for accommodation that is rented from their educational establishment.

LEGISLATIVE PROVISIONS

8. Regulation 2 increases the amount of the disregards from student loan or personal maintenance grant income in respect of travel, and books and equipment.
9. Regulation 3 introduces a general disregard of childcare costs with new regulations in the Housing Benefit (General) Regulations 1987 and the Council Tax Benefit (General) Regulations 1992 (Regulations 3(1) & (2)) and amendments of existing disregards in the Income Support (General) Regulations 1987 and the Jobseeker's Allowance Regulations 1996 (Regulations 3(3)(a) & (4)(a)). Existing disregards of childcare costs that are no longer necessary, are removed (Regulation 3(5) & (6)).
10. Regulations 4, 5 and 6, ensure that Education Maintenance Allowances continue to be disregarded as both income and capital in assessing any income-related benefits to which they or their parents may be entitled.
11. Regulation 7 amends the Housing Benefit Regulations to enable housing benefit to be paid on property supplied by an educational establishment in respect of full-time students in the "vulnerable" group and part-time students who would be in the "vulnerable" group if they were full-time students.

CONSULTATION

12. The Social Security Advisory Committee agreed that the Regulations should not be referred to it for formal consultation. The Local Authority Associations, the National Union of Students and the National Association of Student Monetary Advisors were also consulted.

REGULATORY IMPACT AND COSTS

13. Costs of £9m (2003/04 figures) are estimated for the changes to the eligible housing costs. The Chancellor announced in the budget that funding has been made available. There are no costs associated with the other changes.

APPLICABILITY

14. The Regulations extend to Great Britain.