

EXPLANATORY MEMORANDUM TO
THE INCOME-RELATED BENEFITS (SUBSIDY TO AUTHORITIES)
AMENDMENT ORDER 2005

2005 No.369

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. Description

2.1 The Income-related Benefits (Subsidy to Authorities) Amendment Order 2005 contains the amendments which are required to meet changes to the calculation and payment of subsidy for local authority expenditure on rent allowances, rent rebates in Scotland, rent rebates for tenancies outside the Housing Revenue Account in England and Wales and for Council Tax Benefit.

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

3.1 None

4. Legislative Background

This Order amends the Income-related (Subsidies to Authorities) Order 1998 which provides for subsidy to be payable to local authorities administering housing benefit and council tax benefit. Regular amendments are made each year to meet changing circumstances and policy.

This Order is made retrospectively, and enables final payment of subsidy to be paid after the Order is made. Prior to the Order being made, local authorities are paid interim amounts of subsidy.

5. Extent

5.1 This instrument applies to Great Britain.

6. European Convention on Human Rights

Not applicable

7. Policy background

7.1 Local authorities have a statutory duty to administer and pay claims for both Housing Benefit and Council Tax Benefit. Subsidy is paid to reimburse them for both the actual benefit that they pay, and the administration involved in processing and maintaining claims. Policies have been set to encourage local authorities to be proactive in reducing fraud and error within such claims.

7.2 In advance of the financial year, officials consult with representatives of the local authorities and formally notify them of the subsidy arrangements for the

forthcoming year. During the year, subsidy is paid by instalments, and final (balancing) payments are made after the year has ended following the laying of the relevant amendment Order.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

9. Contact

Andrew Curphey at the Department for Work and Pensions Tel: 0207 712 2547 or e-mail: Andrew.curphey@dwp.gsi.gov.uk can answer any queries regarding the instrument.