

EXPLANATORY MEMORANDUM TO
THE SOCIAL HOUSING (GRANTS TO BODIES OTHER THAN REGISTERED
SOCIAL LANDLORDS) (ADDITIONAL PURPOSES) (ENGLAND) ORDER 2006

2006 No. 583

1. This explanatory memorandum has been prepared by the Office of the Deputy Prime Minister and is laid before Parliament by Command of Her Majesty.

2. **Description**
 - 2.1 The Order extends the purposes for which grant may be given by the Housing Corporation to persons other than registered social landlords.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**
 - 3.1 None

4. **Legislative Background**
 - 4.1 Part 1 of the Housing Act 1996 (the 1996 Act) confers functions on “the Relevant Authority” in relation to registered social landlords (RSLs), which are among the main providers of social housing in England and Wales. The effect of section 56 of the 1996 Act is that the “Relevant Authority” as respects England is the Housing Corporation and as respects Wales is the Secretary of State¹.

 - 4.2 Part 1 of the 1996 Act includes a number of powers for the Relevant Authority to give financial assistance to RSLs in connection with their housing activities. The most significant is the power to pay social housing grant under section 18 of the Act.

 - 4.3 Section 220 of the Housing Act 2004 inserted a new section 27A into the 1996 Act which confers on the Relevant Authority a power to make grants to persons other than RSLs for the various purposes specified in subsection (2) of that section (broadly, purposes connected with the provision of social housing). Section 220 was commenced in relation to England only on the 17th February 2005. It has not been commenced in relation to Wales.

 - 4.4 The Secretary of State has power under section 27A(3) and (4)(d) to specify additional purposes for which grants may be made by the Relevant Authority². The Order is the first use of that power and it is being made in order to give the Housing Corporation the power to give grant for purposes broadly similar to those

¹ By virtue of article 2 of, and Schedule 1 to, the National Assembly for Wales (Transfer of Functions) Order 1999 (SI 1999/672) (the TFO) the functions of the Secretary of State under Part 1 of the 1996 Act, as respects Wales, have been transferred to the National Assembly for Wales.

² By virtue of section 267 of the Housing Act 2004, the reference to the 1996 Act in Schedule 1 to that Order is to be treated as reference to the Act as amended by the 2004 Act. Accordingly the functions of the Secretary of State under the new section 27A are, as respects Wales, devolved to the Assembly.

for which financial assistance may be given by the Secretary of State under section 429A of the Housing Act 1985³. That section is concerned with financial assistance to persons managing public sector or former public sector housing and for other purposes connected with housing management.

5. Extent

5.1 This instrument applies to England.

6. European Convention on Human Rights

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

7. Policy background

7.1 The Secretary of State proposes that the Housing Corporation should take over the administration of grant currently administered by the Office of the Deputy Prime Minister (ODPM) under section 429A of the Housing Act 1985 (known as the Tenant Empowerment Programme).

7.2 The proposal follows a review by the ODPM of its current programme administration. The ODPM concluded that programme management and delivery would be improved by locating it in an organisation with a proven track record and relevant experience in giving grant in relation to housing.

7.3 The Housing Corporation has a large amount of experience of giving grant for social housing to RSLs, in particular under section 18 of the Housing Act 1996, and it will build on and extend that experience when exercising its new powers under section 27A. The Housing Corporation has a strong track record of delivery across a wide range of housing functions. These range from managing the major part of ODPM's new social housing programme and regulation of the RSL sector through to funding small scale initiatives and research by way of its "Innovation and Good Practice" programme. Consequently the ODPM feels that the Housing Corporation has the necessary experience and expertise to give grant for purposes similar to those set out in section 429A.

7.4 The Order does not extend the Housing Corporation's power to give grant for exactly the same purposes as those set out in section 429A. This is because the Tenant Empowerment Programme is about encouraging tenants to become more involved in the management of their properties. Whilst the Secretary of State may give financial assistance to any "person" under section 429A the ODPM believe it is appropriate to restrict the Housing Corporation's powers to give grant to occupiers who are managing their properties and for providing services in relation to management by occupiers.

7.5 The Order will ensure that the Housing Corporation has the necessary powers to enable it to pay grant to a range of organisations other than registered social landlords, in respect of projects and programmes aimed at improving housing management in local authority housing through greater tenant participation and

³ Section 429A was inserted by section 16 of the Housing and Planning Act 1986.

development of tenant management organisations. These powers will complement the Housing Corporation's existing powers to pay grant in respect of registered social landlords.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as the proposal is not expected to have an adverse impact on business, charities or voluntary bodies.

8.2 There is no impact on the public sector since this proposal involves administration of grant to bodies other than local authorities.

9. Contact

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