

EXPLANATORY MEMORANDUM TO
THE TRANSFER OF FUNCTIONS (ADMINISTRATION OF RENT
OFFICER SERVICE IN ENGLAND) ORDER 2008

2008 No. 3134

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. Purpose of the instrument

2.1 This Order in Council, made under the Ministers of the Crown Act 1975, transfers to the Commissioners for Her Majesty's Revenue and Customs the functions of the Secretary of State relating to the appointment, administration and remuneration of rent officers in England. Nothing in this Order alters the functions of the Welsh Ministers, the Scottish Ministers or the devolved authorities in Northern Ireland.

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

3.1 None

4. Legislative Context

4.1 A Transfer of Functions Order is needed to deliver some changes to the legislative framework as this currently provides for the Secretary of State to appoint and administer rent officers in England and these responsibilities need to be vested in the Commissioners for Her Majesty's Revenue and Customs/Valuation Office Agency.

5. Territorial Extent and Application

5.1 This instrument applies to England.

6. European Convention on Human Rights

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

7. Policy background

- What is being done and why

- 7.1 We are working towards the transfer of rent officers (The Rent Service¹) to the Valuation Office Agency on 1 April 2009. John Hutton announced this policy intention in a written ministerial statement on 29 November 2006.
- 7.2 The transfer removes the need for the Department for Work and Pensions to maintain a separate agency for rent officers. The change takes account of the Rent Service's reducing workload (arising from the introduction of the Local Housing Allowance²), reinforces the independence of rent officers from the Department for Work and Pensions and will deliver improved efficiency.
- 7.3 The policy intention is that from 1 April 2009 the Valuation Office Agency will charge for rent officer services.
- 7.4 To help deliver efficiencies and to take account of a declining the Rent Service workload, not all staff currently working for the Rent Service will transfer to the Valuation Office Agency.
- 7.5 Powers to set the functions of rent officers remain with the Secretary of State. This is because for Housing Benefit purposes these need to be set for Great Britain and updated from time to time to support Housing Benefit policy changes. Also rent officers' fair rent responsibilities are set for England by the Secretary of State for Communities and Local Government.
- 7.6 There is no public or political interest in the transfer, with no formal consultation required. The Order will not affect continuity of rent officer work and the administration of rent officers despite the transfer.

- Consolidation

- 7.7 Parliamentary Counsel has drafted the Order for the Department for Work and Pensions and has drawn the Department's attention to the need to tidy up part of the Rent Act 1977, which currently contains the provisions for local authorities to appoint rent officers. These provisions will no longer be needed now that rent officers will be appointed by the Valuation Office Agency. We believe that any possible consolidation that might be helpful should be considered at that stage.

¹ The Rent Service is a front line delivery organisation providing a rental valuation service to local authorities in England, supplying them with a range of valuations to assist them in determining claims for housing benefit. The Rent Service also provides fair rent determinations for landlords and tenants under the provisions in the Rent Act 1977.

² As part of the Government's wider Welfare Reform agenda the Rent Service supported the introduction of the new Local Housing Allowance which took effect for new claimants in April 2008. Under this system the Rent Service will be determining Broad Rental Market Areas and collecting sufficient letting information to ensure the Local Housing Allowance is representative of the local market.

8. Consultation outcome

8.1 There is no statutory requirement to consult on this Order. There has not been any formal consultation on the Order itself. However, following John Hutton's announcement of the policy intention in November 2006, the Joint Transform Programme Board was set up with members from the Department for Work and Pensions, Communities and Local Government, the Rent Service and Valuation Office Agency and, together with the Communications work stream of the Programme, has kept all stakeholders updated on the progress and impact of the transfer.

9. Guidance

9.1 There are no plans to issue guidance to stakeholders as the transfer should provide seamless continuity of rent officer work and the administration of rent officers.

10. Impact

10.1 The impact on business, charities or voluntary bodies is none.

10.2 The impact on the public sector is negligible.

10.3 A full impact assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring & review

12.1 The Department for Work and Pensions expects the seamless continuity of rent officer work and the administration of rent officers despite the transfer; however service levels and funding issues will be covered in documents that are currently being drawn up. The Department for Work and Pensions, Communities and Local Government and the Rent Service, will agree the amount of funds to be transferred from the Department for Work and Pensions to Communities and Local Government for them to fund rent officers' fair rent work from 1 April 2009.

13. Contact

Barry Dennett at the Department for Work and Pensions Tel: 0207 449 5382 or email: barry.dennett@dwp.gsi.gov.uk can answer any queries regarding the instrument.