
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Income-related Benefits (Subsidy to Authorities) Order 1998 (S.I. 1998/562) (“the 1998 Order”) which provides for the calculation and payment of housing benefit subsidy to local authorities in England, Wales and Scotland which administer housing benefit. Section 140F(2) of the Social Security Administration Act 1992 (c.5) authorises the making, revocation or varying of an Order before, during or after the year to which it relates.

Article 3(1) and Schedule 1 substitute Schedule 1 to the 1998 Order which prescribes the sums to be used in the calculation of subsidy for the year beginning with 1st April 2018.

Article 3(2) and Schedule 2 substitute Schedule 1ZB to the 1998 Order which has effect for the purposes of determining additional amounts of subsidy payable for the year beginning with 1st April 2019. This Schedule prescribes a system for the making of additional payments of subsidy to authorities administering alerts relating to the earnings and pension entitlement of claimants for housing benefit (“the VEP Alert Service”), as notified by the Secretary of State to local authorities on 3rd May 2019. In the VEP Alert Service, authorities are given funding to carry out activities to enable them to verify earnings and pension information based on their use of real time information.

Article 4 has effect for the purposes of determining subsidy payable for the year beginning with 1st April 2019. Paragraph (2) amends paragraph 3 of Schedule 4A to the 1998 Order to provide that the rebate proportion figure for 2019/2020 is 0.726. Paragraph (3) and Schedule 3 substitute Part 3 of Schedule 4A to the 1998 Order in respect of weekly rent limits for authorities in England. With respect to authorities in Wales, paragraph (4) and Schedule 4 substitute Part 5 of Schedule 4A to the 1998 Order which sets out the specified amount “O” and the guideline rent increase “P” used when calculating deductions from subsidy under paragraph 4 in Part 4 of Schedule 4A.

Hard copies of the circular referenced in this Order are available from the Department for Work and Pensions, Local Authority Funding Team, Housing Delivery Division, Room B120D, Warbreck House, Warbreck Hill, Blackpool, FY2 0YE.

An impact assessment has not been produced for this instrument as it has no impact on the private sector or civil society organisations.