

EXPLANATORY MEMORANDUM TO
The Housing Benefit (Child Benefit Disregard and Child Care Charges)
Regulations (Northern Ireland) 2009

S.R. 2009 No. 276

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department for Social Development to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under sections 122(1)(d), 132(3) and (4)(b) and 171(1) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 and is subject to the negative resolution procedure.
- 1.3. The rule is due to come into operation on 5 August 2009 in relation to child care costs and 2 November 2009 in relation to the child benefit disregard.

2. Purpose

- 2.1. The purpose of the Regulations is to amend the Housing Benefit Regulations (Northern Ireland) 2006 and the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations (Northern Ireland) 2006 to align the treatment of child care costs with regulation 14 of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 and also amend the Housing Benefit Regulations (Northern Ireland) 2006 to disregard child benefit from income calculations.

3. Background

- 3.1. Regulation 2 allows child care costs to be deducted from the calculation of weekly earnings where the child is cared for by a foster parent (other than the child's own foster parent) or a domiciliary care worker or where the child is looked after in their home by someone other than a relative.
- 3.2. Regulation 3 delivers the commitment in the Chancellor's announcement in the 2008 Pre Budget Report that child benefit would be disregarded in calculating income for housing benefit, thus improving work incentives for many of the lowest paid families and boosting their incomes. This amendment relates to working age claimants only as the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations (Northern Ireland) 2006 already disregard child benefit payments.

4. Matters of Special Interest to the Social Development Committee

- 4.1. None.

5. Consultation

- 5.1. The equivalent Great Britain Regulations have been subject to consultation with the Local Authority Associations. The Social Security Advisory

Committee agreed that it did not require the proposed Regulations to be formally referred.

6. Position in Great Britain

- 6.1. The Regulations mirror the Great Britain Regulations and are in keeping with the principle of parity between Northern Ireland and Great Britain in social security matters.

7. Equality Impact

- 7.1. In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department conducted a screening exercise of the proposals. It concluded that the proposals do not have significant implications for equality of opportunity and therefore considered that an equality impact assessment was not necessary.

8. Regulatory Impact

- 8.1. These Regulations do not require a Regulatory Impact Assessment as they do not impose any additional costs or savings on business, charities or voluntary bodies.

9. Financial Implications

- 9.1. It is estimated that the child benefit disregard will cost around £8.75m a year.

10. Section 24 of the Northern Ireland Act 1998

- 10.1. The Department has considered its obligations under section 24 of the Northern Ireland Act 1998 and is satisfied that the Rules: are not incompatible with the Convention rights; are not incompatible with Community law; do not discriminate against a person or class of person on the ground of religious belief or political opinion; and do not modify an enactment in breach of section 7 of the Northern Ireland Act 1998.

11. EU Implications

- 11.1. Not applicable.

12. Additional Information

- 12.1. Not applicable.