STATUTORY RULES OF NORTHERN IRELAND

2004 No. 461

SOCIAL SECURITY

The Social Security (Housing Costs Amendments) Regulations (Northern Ireland) 2004

Made - - - - 4th November 2004
Coming into operation in accordance with regulation 1(1)

The Department for Social Development, in exercise of the powers conferred by sections 122(1)(a), 131(1) and 171(1) and (3) to (5) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(**1**), Articles 6(5) and 36(2) of the Jobseekers (Northern Ireland) Order 1995(**2**) and sections 2(3)(b) and 19(1) to (3) of the State Pension Credit Act (Northern Ireland) 2002(**3**), and now vested in it(**4**), and of all other powers enabling it in that behalf, hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Social Security (Housing Costs Amendments) Regulations (Northern Ireland) 2004 and shall come into operation –

(a) except for the purposes of regulation 5(a), on 28th November 2004, and

(b) for the purposes of regulation 5(a), on 28th November 2005.

(2) The Interpretation Act (Northern Ireland) 1954(**5**) shall apply to these Regulations as it applies to an Act of the Assembly.

Amendment of the Income Support (General) Regulations

2. In Schedule 3(**6**) to the Income Support (General) Regulations (Northern Ireland) 1987(**7**) (housing costs) –

(**1**) 1992 c. 7; section 171(1) was amended by paragraph 5 of Schedule 4 to, the Tax Credits Act 2002 (c. 21) and section 171(5) was amended by paragraph 36 of Schedule 1 to, the Social Security (Incapacity for Work) (Northern Ireland) Order 1994 (S.I. 1994/1898 (N.I. 12))
(**2**) S.I. 1995/2705 (N.I. 15); Article 36 was amended by Article 4 and paragraph 55 of Schedule 3 to, the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (S.I. 1999/671)
(**3**) 2002 c. 14 (N.I.)
(**4**) *See* Article 8(b) and Part II of Schedule 6 to, S.R. 1999 No. 481
(**5**) 1954 c. 33 (N.I.)
(**6**) Schedule 3 was substituted by regulation 2 of, and Schedule 1 to, S.R. 1995 No. 301
(**7**) S.R. 1987 No. 459; relevant amending Regulations are S.R. 1995 Nos. 301 and 434, S.R. 2001 No. 406 and S.R. 2004 No. 366

(a) in paragraph 1(2)(**8**) (interpretation) –

(i) in the definition of "existing housing costs", for head (a) there shall be substituted the following head –

"(a) which replaces an existing agreement, provided that the person liable to meet the housing costs –

(i) remains the same in both agreements, or

(ii) where in either agreement more than one person is liable to meet the housing costs, the person is liable to meet the housing costs in both the existing agreement and the new agreement;";

(ii) in the definition of "standard rate" for "specified in", there shall be substituted "determined in accordance with";

(b) in paragraph 10(**9**) (the calculation for loans), in the explanation of "B", for "specified in respect of that loan under paragraph 12" there shall be substituted "applicable in respect of that loan";

(c) for paragraph 12(**10**) (the standard rate) there shall be substituted the following paragraph –

"**12.**—(1) The standard rate is the rate of interest applicable per annum to a loan which qualifies under this Schedule.

(2) Subject to sub-paragraphs (3), (4) and (6), the standard rate shall be 1.58 per cent. plus –

(a) the rate announced from time to time by the Monetary Policy Committee of the Bank of England as the official dealing rate, being the rate at which the Bank is willing to enter into transactions for providing short term liquidity in the money markets, or

(b) where an order under section 19 of the Bank of England Act 1998(**11**) (reserve powers) is in force, any equivalent rate determined by the Treasury under that section.

(3) The Department shall determine the date from which the standard rate calculated in accordance with sub-paragraph (2) takes effect(**12**).

(4) Where –

(a) the actual rate of interest charged on the loan which qualifies under this Schedule is less than 5 per cent. per annum on the day the housing costs first fall to be met, and

(b) that day occurs before 28th November 2004,

the standard rate shall be equal to that actual rate.

(5) Sub-paragraph (4) shall cease to apply in a particular case to any one or more loans which fall within that sub-paragraph on whichever of the following dates occurs first –

(a) the date on which the actual rate of interest charged on such a loan is 5 per cent. per annum or higher,

(b) the anniversary of the date on which the housing costs first fell to be met, or

(**8**) Paragraph 1(2) was amended by regulation 2(3)(a)(i) of S.R. 1995 No. 434
(**9**) Paragraph 10 was substituted by regulation 2(1) of S.R. 2001 No. 406
(**10**) Paragraph 12 was amended by S.R. 2004 No. 366
(**11**) 1998 c. 11
(**12**) The date determined by the Department and the amount of the standard rate are published on the Department for Social Development website: www.dsd.nigov.net

(c) where a supersession decision based on a change of circumstances arising on or after 28th November 2004 is made under Article 11 of the Social Security (Northern Ireland) Order 1998 (decisions superseding earlier decisions)(**13**), the date of the change of circumstances.

(6) Where sub-paragraph (4) does not apply to a loan which qualifies under this Schedule, the standard rate shall be 5.88 per cent. until the first date determined by the Department under sub-paragraph (3).".

Amendment of the Jobseeker's Allowance Regulations

3. In Schedule 2 to the Jobseeker's Allowance Regulations (Northern Ireland) 1996(**14**) (housing costs) –

(a) in paragraph 1(2) (interpretation) –

(i) in the definition of "existing housing costs", for head (a) there shall be substituted the following head –

"(a) which replaces an existing agreement, provided that the person liable to meet the housing costs –

(i) remains the same in both agreements, or

(ii) where in either agreement more than one person is liable to meet the housing costs, the person is liable to meet the housing costs in both the existing agreement and the new agreement;";

(ii) in the definition of "standard rate" for "specified in", there shall be substituted "determined in accordance with";

(b) in paragraph 9(**15**) (the calculation for loans), in the explanation of "B", for "specified in respect of that loan under paragraph 11" there shall be substituted "applicable in respect of that loan";

(c) for paragraph 11(**16**) there shall be substituted the following paragraph –

"**11.**—(1) The standard rate is the rate of interest applicable per annum to a loan which qualifies under this Schedule.

(2) Subject to sub-paragraphs (3), (4) and (6), the standard rate shall be 1.58 per cent. plus –

(a) the rate announced from time to time by the Monetary Policy Committee of the Bank of England as the official dealing rate, being the rate at which the Bank is willing to enter into transactions for providing short term liquidity in the money markets, or

(b) where an order under section 19 of the Bank of England Act 1998 (reserve powers) is in force, any equivalent rate determined by the Treasury under that section.

(3) The Department shall determine the date from which the standard rate calculated in accordance with sub-paragraph (2) takes effect.

(4) Where –

(**13**) S.I. 1998/1506 (N.I. 10); Article 11 was amended by paragraph 17 of Schedule 6, and Part I of Schedule 9 to, the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (S.I. 1999/671)
(**14**) S.R. 1996 No. 198; relevant amending Regulations are S.R. 1996 No. 358 and S.R. 2001 No. 406
(**15**) Paragraph 9 was substituted by regulation 2(2) of S.R. 2001 No. 406
(**16**) Paragraph 11(1)(a) was substituted by regulation 29(4) of S.R. 1996 No. 358