



10 DOWNING STREET

Prime Minister 2

To note that DHSS
intend to stop an abuse
whereby local authorities
have begun to claim housing
benefit on behalf of people
in their hostels, bed and
breakfast etc.

DLW

12/12

**DEPARTMENT OF HEALTH & SOCIAL SECURITY**

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

*From the Minister of State for Social Security and the Disabled*John MacKay Esq MP
Scottish Office

11 DEC 1985

HOUSING BENEFIT AND PART III ACCOMMODATION

I am writing to let you know about urgent changes we propose to make to the Housing Benefit Regulations on the payment of benefit to residents of Part III Accommodation. These are intended to block what is in effect a loophole in the existing scheme which otherwise would significantly increase expenditure on housing benefit.

Under Part III of the National Assistance Act 1948 and Part IV of the Social Work (Scotland) Act 1968, local authorities are responsible for providing residential accommodation for people who, through age or infirmity or other reasons, need care and attention not otherwise available to them. However, a change in DOE legislation in 1980, aimed at allowing help to be given to residents of private and voluntary homes, made it possible for residents of Part III accommodation to be eligible for assistance with their rent. Part III residents continued to be potentially eligible for benefit under the Housing Benefit Scheme, introduced in 1983. It has now emerged that some social services departments have been claiming housing benefit on behalf of their Part III residents. Knowledge of this has spread and as a result a large number of departments have suddenly started to claim benefit or seek to do so.

This is clearly unacceptable. The provision of accommodation under the National Assistance Act and the Social Work (Scotland) Act is a social service responsibility. The benefit costs of paying housing benefit to residents of this accommodation could rise to as much as £300 million. There will also be a cost for housing authorities (as distinct from social services authorities) who have to meet part of the costs of benefit payments for those not on supplementary benefit. In addition the current legislation is complicated and ambiguous; involving two interdependent means-tests - one by the social service departments to establish how much the resident can personally afford to contribute towards the accommodation and the other to determine housing benefit.

We therefore propose to amend the Housing Benefit regulations at the earliest opportunity to exclude people provided with accommodation under the National Assistance Act, the Social Work (Scotland) Act or analagous legislation from eligibility for housing benefit.

E.R.

Draft amendment regulations are being sent to the Local Authority Associations and the Social Security Advisory Committee for consultation tomorrow, Thursday 12 November. I will also tomorrow, inform the House by way of written answer.

I am copying this letter to the Prime Minister, Wyn Roberts, William Waldegrave, John MacGregor, John Biffen, Norman Tebbit, Willie Whitelaw and Sir Robert Armstrong.

I am sorry to give you so little notice of this, but the problem is already escalating and we are being pressed by authorities for advice on whether they can claim.

Yours ever,
Tony

TONY NEWTON



CCB



Treasury Chambers, Parliament Street, SW1P 3AG

Tony Newton Esq OBE MP
Minister of State
Department of Health and Social Security
Alexander Fleming House
Elephant and Castle
London
SE1 6BY

NBN

19 December 1985

Dear Tony,

HOUSING BENEFIT AND PART III ACCOMMODATION

Thank you for sending me a copy of your letter of 11 December to John MacKay.

I agree with you that it is totally unacceptable for local authorities to be able to obtain housing benefit for a service for which they are already being funded by central government through block grant. The regulations you propose seem essential to stop this abuse quickly.

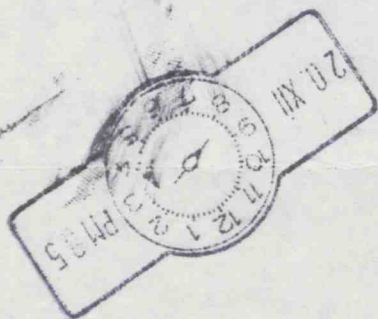
I am however concerned that the consultation period will provide a window for authorities to put in large numbers of claims for housing benefit and for the maximum possible amounts. This argues strongly for the shortest possible consultation period and a tough line towards authorities who appear to be pushing through large numbers of exorbitant claims before you can get the regulations in place. In this context I was very pleased to hear that you propose to include a by-pass provision in the Social Security Bill under which consultation could be avoided in future in urgent cases. I strongly support this.

I am copying this letter to the Prime Minister, Willie Whitelaw, John Biffen, Norman Tebbit, Mark Robinson, William Waldegrave, Mark Robinson, John MacKay and to Sir Robert Armstrong.

Yours,
JH

JOHN MacGREGOR

SOCIAL SERVICES: Review: Pe 4



Prime Minister
CCBG

FROM THE MINISTER FOR HOME AFFAIRS, HEALTH AND SOCIAL WORK



SCOTTISH OFFICE
NEW ST. ANDREW'S HOUSE
ST. JAMES CENTRE
EDINBURGH EH1 3SX

29 January 1986

Tony Newton Esq MP
Minister for Social Security
Department of Health and Social Security
Alexander Fleming House
Elephant and Castle
London
SE1 6BY

NBP

Dear Tony

RESIDENTIAL ACCOMMODATION PROVIDED BY SOCIAL WORK AUTHORITIES:
HOUSING BENEFIT

Thank you for your letter of 11 December about your proposals to close the loophole in the benefits legislation under which residents in accommodation provided by local authorities under Part IV of the Social Work (Scotland) Act 1968 or Part III of the National Assistance Act 1948 may claim housing benefit.

I am sorry to have been so long in sending you a reply, due partly to the slowness of results available from my enquiries about current practices in Scotland.

The responsibility for providing this accommodation clearly rests, as you say, with authorities themselves. I am, therefore, content to support your proposal to limit the way in which they can seek to have their own costs underpinned by the social security system. I understand that the draft regulations incorporate minor exceptions to the general rule - particularly as regards accommodation provided under section 29 of the National Assistance Act 1948. The provisions in question do not apply to Scotland so that your Department may wish to seek other means of ensuring a similar effect north of the border. My officials will be able to assist with advice on the relevant statutory provisions in Scotland.

Yours ever

John

JOHN J MacKAY

I am copying this letter to the recipients of yours.

SOCIAL SERVICES

REVIEW

MISC III

PT 4





cc/BG

Y SWYDDFA GYMREIG

GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel: 01-233 3000 (Switsfwrdd)
01-233 7172 (Llinell Union)

Oddi wrth yr Is-Ysgrifennydd Seneddol

WELSH OFFICE

GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel: 01-233 3000 (Switchboard)
01-233 7172 (Direct Line)

From The Parliamentary Under-Secretary

16 December 1985

NBPN

Dear Minister

HOUSING BENEFIT AND PART III ACCOMMODATION

I have seen your letter of 11 December to John MacKay on the loophole in the regulations which enables Social Services Departments to claim Housing Benefit on behalf of their residents in Part III residential accommodation.

I can see the difficulties in the present arrangements and have no objections to your proposal to consult on amending the regulations to iron out this anomaly.

I am copying this letter to the Prime Minister, William Waldegrave, John MacGregor, John Biffen, Norman Tebbit, Willie Whitelaw and to Sir Robert Armstrong.

Yours sincerely
Roy Ginnivan

MARK ROBINSON

[approved by Mr Robinson
& signed in his absence]

Tony Newton Esq OBE MP
Minister of State
Department of Health and Social Security
Alexander Fleming House
Elephant and Castle
LONDON
SE1 6BY

SOCIAL SERVICES PT 4

REVIEW OF SOC. SECURITY.

