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DEPARTMENT OF HEALTH AND SOCIAL SECURITY

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From the Minister of State for Social Security and the Disabled

Tim Flesher
Private Secretary
10 Downing Street

9 July 1986

Dear Tim,

We spoke earlier today about our Housing Benefit regulations which we propose to lay tomorrow, and the written answer which will be given by my Minister.

Copies go to the private secretaries to the Secretaries of State for Scotland, Wales, Northern Ireland, The Environment, the Leader of the House, the Chief Whip, Chief Secretary and Sir Robert Armstrong.

Yours ever,
Colin

C A H PHILLIPS
Private Secretary

DRAFT WRITTEN ANSWER

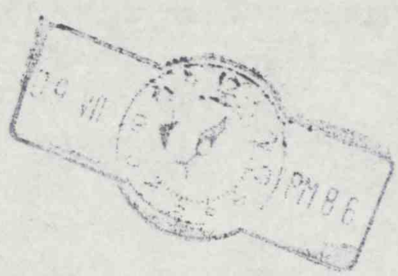
We have today laid before Parliament the Housing Benefit Amendment (No 4) Regulations 1986, providing for a number of changes to take effect from 28 July 1986.

The regulations complete the legislative provision for the proposals announced in my rt hon friend's uprating statement to the House on 24 February by removing the requirement for a non-dependant deduction to be made in new cases in respect of non-householders on Supplementary Benefit aged 21-24 living within a household. This is the counterpart of the proposal already agreed by the House that non-householders in this age group who claim supplementary benefit or who reach the age of 21 on or after 28 July will no longer receive a non-householder housing addition. The effect is to protect the overall benefit position of households where the householder is on supplementary benefit or housing benefit.

The regulations also provide for the implementation of a proposal, which has been the subject of consultation to the Social Security Advisory Committee, to exclude from eligibility for housing benefit people who are accommodated by local social services authorities under various Acts. Such provision has always been regarded as part of local authority social services responsibilities, but a number of local authorities had begun to invite housing benefit claims since they were not specifically excluded by existing provisions.

The Social Security Advisory Committee's report on this proposal, which has also been laid before Parliament today together with the Secretary of State's response (Cmnd 9833), endorses the Government's view that it is in principle reasonable that the cost to social services departments of providing local authority residential accommodation should not be subsidised through the Housing Benefits Scheme. The Committee were concerned however that the draft Regulations would have the effect of removing help through housing benefit from people in group homes or similar accommodation who were seeking to return to an independent life in the community. The Government have accordingly amended the regulations to ensure that people living in group homes and similar accommodation continue to be entitled to support through the housing benefit scheme.

The Regulations also modify the housing benefit rules to help elderly owner occupiers using 'Home Income Plans' to turn the capital value of their home into a regular income. At present, the whole of the income generated, including that part which is deducted at source as mortgage interest, is taken into account for housing benefit purposes. Under the new regulations, the mortgage interest deduction will be disregarded so that only the income actually received will be taken into account. This change should improve the position for some 7500 pensioner owner-occupiers. The Social Security Advisory Committee has agreed that this beneficial change did not need to be referred to them.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