

THE HOUSING (AMENDMENT) (NORTHERN IRELAND) ORDER 2006

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EXPLANATORY MEMORANDUM

INTRODUCTION

1. The above Order is being made under the Northern Ireland Act 2000 and is subject to affirmative resolution.
2. This Explanatory Memorandum has been prepared by the Department for Social Development (“the Department”) in order to assist the reader in understanding the Order. It does not form part of the draft Order.

BACKGROUND AND POLICY OBJECTIVES

3. The Order advances the separation of strategic and operational functions in line with recommendations emanating from two major enquiries into housing in Northern Ireland. The first was conducted by the Northern Ireland Assembly’s Social Development Committee and the second by the Northern Ireland Affairs Committee at Westminster.
4. Current provisions for the payment of grant to, and recovery of grant from, registered housing associations have been amended to enable the Northern Ireland Housing Executive (“the Executive”) to fulfil that function. The Department will retain similar powers that will be exercisable only in relation to designated associations.

CONSULTATION

5. Public consultation on the proposal to transfer responsibility for the payment and recovery of housing association grant took place from 4th April 2005 to 31st May 2005 and was widely supported.

FINANCIAL EFFECTS OF THE ORDER

6. The Order transfers the administrative arrangements for the payment of grant to housing associations from the Department to the Executive. The budget will be transferred with the function. Staff currently involved in the payment of grant will remain in the Department.

HUMAN RIGHTS ISSUES

7. The provisions of the Order are compatible with the Convention on Human Rights.

EQUALITY IMPACT ASSESSMENT

8. An Integrated Impact Assessment has been undertaken in respect of the proposed Order. A full Equality Impact Assessment is not considered necessary. Screening for economic, social, health and rural impacts produced no significant considerations which would necessitate full impact assessments.

SUMMARY OF THE REGULATORY APPRAISAL

9. Not required.

MAIN ELEMENTS OF THE ORDER

10. Articles 1 and 2 set out the title and deal with commencement and interpretation. Article 3 introduces the Schedule which amends the Housing (Northern Ireland) Order 1992 (“the Order of 1992”).

COMMENTARY ON ARTICLES

A brief commentary on Article 3 and Schedule is provided below. Comments are not given where the wording is self-explanatory.

Article 3 introduces the Schedule to the Order.

The Schedule contains provisions about arrangements for the payment and recovery of grant made to registered housing associations.

Paragraph 1 of the Schedule introduces the amendments to the Order of 1992.

Paragraph 2 of the Schedule amends Article 4(1)(c) of the Order of 1992 to remove considering applications for and making grants to registered housing associations from the Department's functions.

Paragraph 3 of the Schedule substitutes new paragraphs for paragraphs (1) to (3) of Article 33 of the Order of 1992. This amendment will allow the Executive to make housing association grants under Article 33(1) to all registered housing associations, except those which are designated by the Department under Article 33A (1).

Under Article 33 (2) the Department may give directions to the Executive as regards the procedure, circumstances and method of calculating payment of grant.

Paragraph 4 of the Schedule inserts a new Article 33A into the Order of 1992. It provides that the Department may designate any registered association and where it designates an association it must specify the activities in relation to which the designation has effect. The Department will continue to pay grant to designated associations and may specify the procedure, circumstances and conditions for the payment of such grants.

Paragraph 5 of the Schedule makes a consequential amendment to Article 34 of the Order of 1992. That Article provides that the Department may pay revenue deficit grant to registered housing associations.

Paragraph 6 of the Schedule amends Article 35 of the Order of 1992. The Executive may recover any grant made under Article 33 of that Order before the commencement of Article 3 of this Order to a registered housing association (other than a designated association), and may recover any grant made under that Article after that commencement. The Department may recover any grant made under Article 33 of that Order before the commencement of Article 3 of this Order to a registered housing association which is a designated association, and may recover any grant made under Article 33A of that Order.

Paragraph 7 of the Schedule amends the definition of "public subsidy" in section 130(7) of the Finance Act 2000 to include grants made under Article 33A of the Order of 1992. The amendment ensures that stamp duty will continue not to be chargeable where any registered housing association purchases land with the assistance of a public subsidy.

Paragraph 8 of the Schedule makes a similar amendment to the definition of "public subsidy" in section 71 of the Finance Act 2003. The amendment continues exemption from stamp duty land tax for land transactions where the purchaser is a registered housing association funded with the assistance of a public subsidy.

*This Explanatory Memorandum refers to the Housing (Amendment) (Northern Ireland)
Order 2006*

COMMENCEMENT

Articles 1 and 2 come into operation on the expiration of 7 days from the day on which the Order is made. Article 3 and the Schedule will come into operation on a day to be appointed by the Department.

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