GROUP EXPLANATORY MEMORANDUM TO
THE GUARDIAN'S ALLOWANCE UP-RATING ORDER 2008
2008 No.

THE GUARDIAN'S ALLOWANCE UP-RATING (NORTHERN IRELAND) ORDER 2008
2008 No.

1. This explanatory memorandum has been prepared by Her Majesty's Revenue and Customs and is laid before Parliament by Command of Her Majesty.

2. Description

The two Orders increase, from 7 April 2008, the amounts of guardian's allowance that were announced in the Pre-Budget Report on 9th October 2007.

3. Matters of special interest to the Joint Committee on Statutory Instruments

None

4. Legislative Background

Section 63 of the Social Security Contributions and Benefits Act 1992 and section 63 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 list guardian's allowance as a non-contributory benefit under Part III of each Act.

Section 77 of the Social Security Contributions and Benefits Act 1992 and section 77 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 provide for guardian's allowance to be payable for a child or a qualifying person where the child's parents are dead, or one parent is dead and the other parent is missing, or detained in prison, or hospital in specified circumstances.

Section 150(1) SSA Act 1992 states that the Secretary of State ("Treasury") shall in each tax year review the sums of all benefits listed in Schedule 4 to the SSCB Act 1992, (which includes guardian's allowance), in order to determine whether they have retained their value in relation to the general level of prices obtaining in Great Britain estimated in such manner as the Treasury think fit.

Section 150(2) SSA Act 1992 states that where it appears to the Treasury that the general level of prices is greater at the end of the period under review than it was at the beginning of that period, the Treasury shall lay before Parliament the draft of an up-rating order.

Section 132 of the Social Security Administration (Northern Ireland) Act 1992 requires the Treasury to undertake the same review in respect of Northern Ireland.

In accordance with sections 150(2) and 190(1)(a) of the Social Security Administration Act 1992, and s.166(10A) of the corresponding Northern Ireland Act, drafts of these orders will be laid before and approved by resolution of each House of Parliament .

5. Territorial Extent and Application

The Guardian's Allowance Up-rating Order 2008 applies to Great Britain.

The Guardian's Allowance Up-rating (Northern Ireland) Order 2008 applies to Northern Ireland.

6. European Convention on Human Rights

The Financial Secretary to the Treasury, Jane Kennedy, has made the following statement regarding Human Rights:

In my view the provisions of the Draft Guardian's Allowance Up-rating Order 2008 and the Draft Guardian's Allowance Up-rating (Northern Ireland) Order 2008 are compatible with the Convention rights.

7. Policy background

As a result of the Treasury review pursuant to section 150(1)(a)(i) of the Social Security Administration Act 1992, the Treasury in consequence of sections 150(9) and 189(4) of the Social Security Administration Act 1992 and sections 132(1) and 165(4) of the Social Security Administration (Northern Ireland) Act 1992, has made these Orders amending the rate of guardian's allowance specified in Part III of Schedule 4 to both the Social Security Contributions and Benefits Act 1992 and the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

The changes being introduced from 7 April 2008 increase the rate of guardian's allowance from £12.95 to £13.45 a week. This increase is in line with the general level of prices and is calculated by reference to the Retail Price Index.

8. Impact

A Regulatory Impact Assessment has not been prepared for these instruments as they have no impact on business, charities or voluntary bodies.

The estimated cost of the increases to guardian's allowance, which was included in the Budget 2007 forecast, is negligible.

9. Contact

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