GROUP EXPLANATORY MEMORANDUM TO

THE GUARDIAN'S ALLOWANCE UP-RATING ORDER 2007

2007 No.

THE GUARDIAN'S ALLOWANCE UP-RATING (NORTHERN IRELAND) ORDER 2007

2007 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 2 Orders increase, from 9 April 2007, the amounts of guardian's allowance (GA), as set out in the Pre-Budget Report on 6th December 2006.

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

None

4. Legislative Background

These orders are the annual uprating of the amounts of GA in line with the rise in the general level of prices.

5. Territorial Extent and Application

5.1 The Draft Guardian's Allowance Up-rating Order 2007 applies to Great Britain.

5.2 The Draft Guardian's Allowance Up-rating (Northern Ireland) Order 2007 replicates the provisions of the Draft Guardian's Allowance Up-rating Order 2007 for Northern Ireland.

6. European Convention on Human Rights

The Paymaster General, Dawn Primarolo has made the following statement regarding Human Rights:

In my view the provisions of the Draft Guardian's Allowance Up-rating Order 2007 and the Draft Guardian's Allowance Up-rating (Northern Ireland) Order are compatible with the Convention rights.

7. Policy background

Section 150 of the Social Security Administration Act 1992 requires the Treasury, in each tax year, to review the amounts of GA. Section 132 of the Social Security Administration (Northern Ireland) Act 1992 provides for the equivalent change to be made in Northern

Ireland. In consequence of that review the Treasury have made these Orders, which amend the amounts of GA.

8. Impact

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

8.2 The estimated cost of the increases to GA, which was included in the Budget 2006 forecast, is negligible.

9. Contact

Jenny Fox at HM Revenue and Customs Tel: 020 7147 2503 or e-mail: jenny.fox@hmrc.gsi.gov.uk can answer any queries regarding the instrument.