EXPLANATORY MEMORANDUM TO

THE WELFARE SUPPLEMENTARY PAYMENT

(EXTENSION) REGULATIONS (NORTHERN IRELAND) 2025

2025 No.000

1. Introduction

1.1 This explanatory memorandum has been prepared by the Department for Communities to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2 The Statutory Rule is made under Article 137 and Article 137(A) of the Welfare Reform (Northern Ireland) Order 2015 ("the Order") and is subject to draft affirmative procedure.

2. Purpose

2.1 These regulations amend existing Welfare Supplementary Payment Regulations, which were introduced to mitigate impacts as defined in the document "A Fresh Start the Stormont Agreement and the implementation Plan" arising from the implementation of welfare reform. They are-

- the Welfare Supplementary Payment (Amendment) Regulations (Northern Ireland) 2022

- the Welfare Supplementary Payments Regulations (Northern Ireland) 2016

- the Welfare Supplementary Payment (Loss of Carer Payments) Regulations (Northern Ireland) 2016

- the Welfare Supplementary Payment (Loss of Disability Living Allowance) Regulations (Northern Ireland) 2016

- the Welfare Supplementary Payment (Loss of Disability-Related Premiums) Regulations (Northern Ireland) 2016.

2.2 In the New Decade, New Approach Deal, there was a commitment by the Northern Ireland Executive to extend the existing welfare mitigation measures beyond 31 March 2020.To give effect to this commitment the Welfare Supplementary Payment Extension Regulations (NI) 2022(S.R. No 25) removed the termination date of 31 March 2020 and replaced it with a new termination date of 31 March 2025 for all of the mitigation schemes except the Social Sector Size Criteria which was continued with no end date.

2.3 These Regulations provide for Welfare Supplementary Payments to continue to be paid for the Benefit Cap, Employment and Support Allowance Time Limiting, transition from Disability Living Allowance to Personal Independence Payment, Loss of Disability-Related Premiums and Loss of Carer Payments until 31 March 2028.

2.4 This legislation will also ensure that certain exclusions from mitigation in relation to the Benefit Cap and Social Sector Size Criteria that were removed from 10 February 2022 will not be re-applied.

3. Background

3.1 Earlier Regulations provided for payments referred to as Welfare Supplementary Payments. Their introduction was a response to measures brought forward by the Westminster Government including the introduction of the social sector size criteria, Benefit Cap and Personal Independence Payment.

3.2 Similar social security measures were brought before the Northern Ireland Assembly in line with the principle of parity to maintain integrated social security systems for the whole of the United Kingdom. The Northern Ireland Executive sought and agreed protection for those impacted by the welfare reforms for defined periods.

3.3 The implementation of welfare reform in Northern Ireland was included in "A Fresh Start the Stormont Agreement and Implementation Plan" as agreed by the main political parties in Northern Ireland on 17 November 2015. It was further agreed to appoint the late Professor Eileen Evason to lead a small working group to propose mitigations to the welfare reform package within an agreed financial envelope. The Northern Ireland Executive agreed to the adoption of the working group's recommendations.

3.4 The Assembly approved the Welfare Supplementary Payment (Extension) Regulations (Northern Ireland) 2022 S.R. No 25 on 31 January 2022 which removed the termination date of 31 March 2020 from each of the earlier regulations and inserted a new end date of 31 March 2025 for all of the mitigation schemes except the Social Secor Size Criteria mitigation which was continued without an end date.

3.5 The Assembly also approved the Welfare Supplementary Payment (Amendment) Regulations (Northern Ireland) 2022 S.R. No 32 on 8 February 2022 which made further provisions to amend the Social Sector Size Criteria and Benefit Cap schemes to remove restrictions on entitlement.

3.6 These Regulations amend existing Regulations to ensure that Welfare Supplementary Payments continue to be paid for the Benefit Cap, Employment and Support Allowance Time Limiting, transition from Disability Living Allowance to Personal Independence Payment, Loss of Disability-Related Premiums and Loss of Carer Payments until 31 March 2028. This legislation will also ensure that certain exclusions from mitigation in relation to the Benefit Cap and Social Sector Size Criteria that were removed from 10 February 2022 will not be re-applied.

4. Citation, commencement, and non-retrospection

4.1 These regulations come into operation on the day after the day they are made and no provision is to be regarded as having effect at any time before it came into operation.

5. General

5.1 Regulation 2 ensures that Welfare Supplementary Payments continue to be paid for the Benefit Cap, Employment and Support Allowance Time Limiting, transition from Disability Living Allowance to Personal Independence Payment, Loss of Disability-Related Premiums and Loss of Carer Payments until 31 March 2028.

5.2 Regulation 3 ensures that certain exclusions from mitigation in relation to the Benefit Cap and Social Sector Size Criteria that were removed from 10 February 2022 will not be re-applied.

6. Consultation

6.1 As this Rule will ensure that welfare supplementary payments will continue to be made as current procedure it is a positive measure. Therefore, no consultation has taken place.

7. Equality Impact

7.1 In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department has conducted a screening exercise on proposals for these Regulations and concluded that they do not have significant implications for equality of opportunity. In light of this, the Department considers that an equality impact assessment is not necessary.

8. Regulatory Impact

8.1 These Regulations do not require a Regulatory Impact Assessment as they impose only minimal costs on business, charities or voluntary bodies.

9. Financial Implications

9.1 The projected future funding requirement for the mitigations package, including proposals to extend the existing Welfare Supplementary Payment schemes, is £47.3m in 2025/26, £48.2m in 2026/27, increasing to £49.3m in 2027/28.

10. Section 24 of the Northern Ireland Act 1998

10.1 The Department has considered section 24 of the Northern Ireland Act 1998 and is satisfied the Rule complies with that provision.

11. EU Implications

11.1 Not applicable.

12. Parity or Replicatory Measure

12.1 There is no equivalent provision being made in Great Britain.

On 17 November 2015 “A Fresh Start the Stormont Agreement and Implementation Plan” was agreed by the main political parties in Northern Ireland. Included in this agreement was the approach agreed by the Executive and HM Government to implementing welfare reform in Northern Ireland.

13. Additional Information

13.1 Not applicable.