EXPLANATORY MEMORANDUM TO

THE ENERGY PAYMENT SUPPORT SCHEME REGULATIONS (NORTHERN IRELAND) 2022

S.R. 2022 No. 28

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department for Communities to accompany the Statutory Rule (details above) which is to be laid before the Northern Ireland Assembly under the negative resolution procedure.

1.2. These Regulations are made under sections 1(2), 3 and 4 of the Financial Assistance Act (Northern Ireland) 2009.

2. Purpose

2.1. These Regulations provide for a one-off payment to be made to qualifying persons under the Energy Payment Support Scheme to help mitigate against the increase in domestic energy prices.

3. Background

Legislative Context

3.1. New legislation will be required for the scheme. It is intended to bring forward legislation under the Financial Assistance Act and the Department shall require the approval of the First Minister and deputy First Minister.

3.2. The Financial Assistance Act (Northern Ireland) 2009 gives (i) the First Minister and deputy First Minister, acting jointly, authority to designate a department to make and publish a scheme to provide financial assistance to people when exceptional circumstances exist and (ii) provides that the Regulations, made under section 1(4) by virtue of a designation under subsection (3)(a), require the approval of The Executive Office.

3.3. The Department has determined that exceptional circumstances exist as a result of the impact of wholesale energy price increases on the domestic market. The First Minister and deputy First Minister has designated the Department for Communities to deliver a scheme to provide financial assistance. The financial assistance payment shall be known as the Energy Payment.

Objective of the Energy Support Payment

3.4. An Energy Payment Support Scheme is designed to provide groups on low incomes who are in receipt of specified benefits with financial assistance in recognition of the additional costs arising as a result of the increase in wholesale energy prices. This will be done through a one-off Energy

Payment of £200 to those on low incomes who are likely to be most affected by this increase in energy costs

3.5. To have the greatest impact, payments should be made when needed most. The Department proposes making the payment by the end of March 2022, thereby providing direct and immediate financial support to meet additional costs at the time these are likely to be highest. By ensuring those in the eligible groups have support to meet costs at the time that they need it, the Department will be reducing the financial burden they experience as a consequence of the increase in wholesale energy prices, and supporting them to maintain their physical and mental health and wellbeing.

4. Consultation

4.1. These are emergency regulations in response to the increase in wholesale energy prices. Given the urgency of these regulations the Department for Communities has not undertaken a public consultation.

5. Equality Impact

5.1. 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 considered that an equality impact assessment is not necessary.

6. Regulatory Impact

6.1. There is no, or no significant, impact on business, charities or voluntary bodies or on the public sector.

7. Financial Implications

7.1. This scheme will provide support of £55 million to groups on low incomes who are in receipt of specified benefits through a one-off Energy Payment.

8. Section 24 of the Northern Ireland Act 1998

8.1 The Department considers the Statutory Rule to be compatible with section 24 of the Northern Ireland Act 1998.

9. EU Implications

9.1. Not applicable.

10. Parity or Replicatory Measure

10.1. There is no equivalent legislation in GB. This statutory rule applies to Northern Ireland only.

11. Additional Information

11.1. Not applicable.