EXPLANATORY MEMORANDUM TO THE

THE HOME ENERGY EFFICIENCY SCHEME (ENGLAND) (AMENDMENT) REGULATIONS 2004

2004 NO. 2430

1. This explanatory memorandum is laid before the House of Commons by Command of Her Majesty.

2. **Department responsible**

2.1 Department for Environment, Food and Rural Affairs (Defra).

3. Description

3.1. The level of tax credits and any thresholds are set in nominal terms and are adjusted each year to take account of the impact of rising prices and incomes. Under The Home Energy Efficiency Scheme (England) Regulations 2000, as last amended by the Home Energy Efficiency Scheme (England) (Amendment) (No. 2) Regulations 2003, families who are in receipt of Working Tax Credit and/or Child Tax Credit with a relevant income of less that £14,200 are eligible to apply for a Warm Front grant. In line with inflation, people with an income of £14,200 in 2003-4 are expected to be earning £14,600 in 2004-5.

3.2. The suggested change to upgrade the cut-off income of £14,200 to £14,600 for the tax credits, will ensure eligibility to Warm Front is maintained for the same group - as now.

4. Policy Background

4. 1. Access to assistance under Warm Front is through receipt of a qualifying benefit. In April 2003 a number of benefits were replaced by Child Tax Credit and Working Tax Credit. To ensure the focus of the scheme remained on vulnerable households, a cut-off point for qualification for assistance under Warm Front for people in receipt of these benefits was introduced. The eligibility limit was set as an income of less than £14,200 (combined, in the case of working tax credit, with a disability element).

4. 2. The proposed change will ensure that the cut off point for qualification for assistance contained in the Regulations is consistent with the revised rate introduced by the Inland Revenue to take account of inflation. It will also ensure that the same group continues to be eligible for a Warm Front grant.

5. Legislative Background

5.1. The Home Energy Efficiency Scheme (England) Regulations 2000 (as amended) are made under Section 15 of the Social Security 1990 and provide

for the payment of grants to improve the energy efficiency of eligible households.

6. Extent

6.1 The instrument applies to England only.

7. Impact

7.1 The instrument has no impact on business, charities or voluntary bodies therefore a Regulatory Impact Assessment has not been prepared.

8. Contact

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