EXPLANATORY MEMORANDUM TO

THE SOCIAL FUND WINTER FUEL PAYMENT (TEMPORARY INCREASE) REGULATIONS (NORTHERN IRELAND) 2022

S.R. 2022 No. 215

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.

These Regulations are made under sections 134(2) and 171(1), (3) and (4) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

2. Purpose

2.1. These Regulations make provision to enable winter fuel payment recipients to receive a higher rate of payment for winter 2022/23. This increase was announced by the Chancellor in his update on the economy to Parliament on 26 May 2022.

3. Background

Legislative Context

3.1. The amount of winter fuel payment paid to older people is set out in the Social Fund Winter Fuel Payment Regulations (Northern Ireland) 2000 ("WFP Regulations") so any change to the amounts requires amendments to the WFP Regulations.

3.2. The amount of winter fuel payment does not increase every year in the annual up-rating.

3.3. These Regulations provide for a temporary increase in the winter fuel payment for winter 2022/23 only.

3.4. The Social Fund Winter Fuel Payment (Temporary Increase) Regulations (Northern Ireland) 2010, which provided for an increase for winter 2010/11 are revoked by these Regulations.

Policy Background

3.5. Winter fuel payments were introduced as part of the UK Government's initiative to tackle fuel poverty amongst pensioners. Winter fuel payments give older people reassurance that they can afford to heat their homes in winter. They are paid in a lump sum each winter to ensure that money is available when fuel bills arrive. Older people are targeted because they are particularly vulnerable to the effects of cold weather during the winter months and older people are more likely to be on fixed incomes.

3.6. Winter fuel payments are paid to those who have reached State Pension age by the end of the September qualifying week. For winter 2022/23 the qualifying week is 19-25 September 2022. People living in certain European Economic Area

countries or Switzerland are entitled to a winter fuel payment provided they have a genuine and sufficient link to the UK and they meet the terms of one of the applicable international agreements listed in Regulation 2 of the WFP Regulations.

3.7. Normally, people aged 66-79 receive up to £200 as a winter fuel payment and people aged 80 or over receive up to £300, depending on their circumstances.

3.8. Although the winter fuel payment is based on an individual's entitlement, shared payment rates apply in some circumstances depending on household composition, benefits received or if a person is in residential care, reflecting that fuel bills are received on a household basis.

3.9. On 26 May 2022, as part of a wider package of measures on the cost-of-living the Chancellor announced an increase of £300 to winter fuel payments for the winter of 2022/23. Due to the shock to European energy prices, the significant price increase and as pensioners are disproportionately impacted by higher energy costs, this increase of £300 per household will contribute to the rising cost of energy expected in winter 2022/23. The payment will be made as part of their annual winter fuel payment.

3.10. The WFP Regulations were last amended to provide an increase in the winter fuel payment in 2010 and these Regulations replicate this.

4. Consultation

4.1. As the Regulations make, in relation to Northern Ireland, only provision corresponding to provision contained in Regulations made by the Secretary of State for Work and Pensions in relation to Great Britain consultation with the Social Security Advisory Committee is not required.

4.2. No formal consultation has taken place.

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. The financial impact on the public sector is that the overall Exchequer effect (UK wide) of the provision in these regulations will be £4.6bn in 2022/23.

8. Section 24 of the Northern Ireland Act 1998

8.1 The Department has considered section 24 of the Northern Ireland Act 1998 and is satisfied that these Regulations:

a) are not incompatible with any of the Convention rights;

b) are not incompatible with Community law;

c) do not discriminate against a person or class of person on the ground of religious belief or political opinion; and

d) do not modify an enactment in breach of section 7 of the Northern Ireland Act 1998.

9. EU Implications

9.1. Not applicable.

10. Parity or Replicatory Measure

10.1. Replicatory measure can be found in the Great Britain instrument, the Social Fund Winter Fuel Payment (Temporary Increase) Regulations 2022.

10.2. In line with the long-standing policy of parity in social security, the Social Fund Winter Fuel Payment (Temporary Increase) Regulations (Northern Ireland) 2022 will come into operation on 19th September 2022. Parity of timing and substance is an integral part of the maintenance of single systems of social security, pensions and child support provided for in section 87 of the Northern Ireland Act 1998.

11. Additional Information

11.1. Not applicable.