EXPLANATORY MEMORANDUM TO

THE SOCIAL FUND WINTER FUEL PAYMENT (TEMPORARY INCREASE) REGULATIONS (NORTHERN IRELAND) 2023

S.R. 2023 No. 85

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 one-off rate of payment for winter 2023/24. This increase was announced by the Chancellor in his Autumn statement on 17 November 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 2023/24 only.

3.4. The Social Fund Winter Fuel Payment (Temporary Increase) Regulations (Northern Ireland) 2022, which provided for an increase for winter 2022/23 are revoked by these Regulations.

4. Policy Background

What is being done and why?

4.1. Winter fuel payments are intended to give older people reassurance 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. They are made to older people because they are potentially particularly vulnerable to the effects of cold weather during the winter months, and because they are more likely to be on fixed incomes.

Explanations

What did any law do before the changes to be made by this instrument?

4.2. Winter fuel payments are paid to those who have reached State Pension age by the end of the September qualifying week and who meet the other entitlement conditions which include being ordinarily resident in the UK. For winter 2023/24 the qualifying week is the week beginning 18 September.

4.3. Winter fuel payments continue to be payable to individuals who in the qualifying week are resident in a qualifying European Economic Area (EEA) state or Switzerland, are covered by the EU Withdrawal Agreement or parallel agreements with the EEA European Free Trade Association (EFTA) states and Switzerland and who have a genuine and sufficient link to the UK. Winter fuel payments also continue to be payable to UK and Irish nationals who are resident in Ireland in the qualifying week and are covered by the UK-Ireland social security agreement and have a genuine and sufficient link to the UK. This is set out in regulation 2(4) of the WFP Regulations.

4.4. Winter fuel payments are not payable in the warmer countries and territories of the EEA, which are Cyprus, France, Gibraltar, Greece, Malta, Portugal and Spain.

4.5. Normally, people between State Pension age and 79 receive up to £200 as a winter fuel payment and people aged 80 or over receive up to £300, depending on their circumstances.

4.6. 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.

Why is it being changed?

4.7. On 17 November 2022, the Chancellor announced further support with the rising cost of living. This included a pensioner Cost of Living Payment of £300 per household that would be paid with the Winter Fuel Payment in 2023/24. Some pensioners may also receive a £900 Cost of Living Payment if in receipt of a qualifying means-tested income replacement benefit such as Pension Credit and a £150 Disability Cost of Living Payment if in receipt of a qualifying disability benefit such as Attendance Allowance.

What will it now do?

4.8. The pensioner Cost of Living Payment of £300 per eligible household will increase the conventional Winter Fuel Payment to £500 for a household with someone of State Pension age and £600 for a household with someone aged 80 or over.

4.9. The WFP Regulations were last amended to provide a temporary increase in the winter fuel payment in 2022 and these Regulations replicate this.

5. Consultation

5.1. 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.

5.2. No formal consultation has taken place.

6. Equality Impact

6.1. 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.

7. Regulatory Impact

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

8. Financial Implications

8.1. The financial impact on the public sector is that the overall Exchequer effect (UK wide) of the provision in these regulations will be £4.7 billion in 2023/24 which is £2.6 billion more than would have been the case without the £300 increase.

9. 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 the Rule complies with that provision.

10. EU Implications

10.1. Not applicable.

11. Parity or Replicatory Measure

11.1. Replicatory measure can be found in the Great Britain instrument, the Social Fund Winter Fuel Payment (Temporary Increase) Regulations 2023.

11.2. In line with the long-standing policy of parity in social security, the Social Fund Winter Fuel Payment (Temporary Increase) Regulations (Northern Ireland) 2023 will come into operation on 18th September 2023. 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.

12. Additional Information

12.1. Not applicable.