

EXPLANATORY MEMORANDUM TO

The Social Fund Winter Fuel Payment (Temporary Increase) Regulations (Northern Ireland) 2010

SR -2010 No. 185

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department for Social Development to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under powers conferred by the Social Security Contributions and Benefits (Northern Ireland) Act 1992 and is subject to the negative resolution procedure.

2. Purpose

- 2.1. The Statutory Rule will amend the annual amount of the Winter Fuel Payment. The normal amount payable is set out in the Winter Fuel Payment Regulations (Northern Ireland) 2000, so any change to the amount requires amendment to those Regulations.

3. Background

- 3.1. The Winter Fuel Payments Scheme began in 1998. Winter Fuel Payments are payable to most people aged 60 or over in the UK. People who have qualified for a Winter Fuel Payment in this country may continue to receive the payment in another European Economic Area country or Switzerland.
- 3.2. Winter Fuel Payments are not subject to annual uprating. The Chancellor in his Budget Statement announces any change in the amount of Winter Fuel Payment.
- 3.3. Normally, people aged 60-79 receive £200 or part thereof and people aged 80 or over receive £300 or part thereof, depending on household composition. However starting in 2010 and ending in 2020, the qualifying age for winter fuel payments will progressively increase for both men and women born after 5 April 1950 from 60 to 65 years. This is in line with changes to the state pension age for women.
- 3.4. 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.
- 3.5. In 2008, the Government announced an increase of £50 and £100 in the Winter Fuel Payment for winter 2008/09 to meet the sudden large increase in fuel prices. The Government retained this increase for winter 2009/10. The Budget Statement of 24th March 2010 confirmed that the increase in the Winter Fuel Payment will be repeated for winter 2010/11.
- 3.6. The amendment will deliver the additional amount to all eligible people as an increase in the Winter Fuel Payment for winter 2010/11, which means

an increase of £50 for households with someone aged up to 79 years, and £100 for households with someone aged 80 years and over, making their Winter Fuel Payment £250 and £400 respectively.

4. Consultation

- 4.1. The Social Security Advisory Committee was consulted and agreed that it did not require the proposals for these Regulations to be formally referred.

5. Equality Impact

- 5.1. The changes proposed do not provide a new benefit or service but simply change the amount of Winter Fuel Payment to be paid for the winter of 2010/11.
- 5.2. Winter Fuel Payment is a universal benefit paid to all eligible people who have reached the qualifying age or over for Winter Fuel Payments, regardless of race, gender or disability.
- 5.3. In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department has conducted a screening exercise on these legislative proposals and has concluded that the proposals do not have significant implication for equality of opportunity. In light of this, the Department considers that an equality impact assessment is not necessary.

6. Regulatory Impact

- 6.1. These Regulations do not require a Regulatory Impact Assessment as they do not impose any additional costs or savings on business, charities or voluntary bodies.

7. Financial Implications

- 7.1. The Department of Finance and Personnel anticipated that an additional £14.625m will be added to Winter Fuel Payments for 2010/11.
- 7.2. This is to fund the increase announced in the Budget and is in addition to the earlier forecast of £54.2m.

8. Section 24 of the Northern Ireland Act 1998

- 8.1. The Department has also considered its obligations under section 24 of the Northern Ireland Act 1998. It is the Department's judgement that the Social Fund Winter Fuel Payment (Temporary Increase) Regulations (Northern Ireland) 2010 are not incompatible with the Convention rights; are not incompatible with Community law; do not discriminate against any person or class of person on the ground of religious belief or political opinion; and 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. The Regulations mirror the Great Britain Regulations and are in keeping with the principal of parity between Northern Ireland and Great Britain in social security matters.

11. Additional Information

11.1. Not applicable.