

EXPLANATORY MEMORANDUM TO

The Social Security (Coronavirus) (Further Measures) Amendment Regulations (Northern Ireland) 2020

2020 No. 61

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Department for Communities (DfC) on behalf of the Department for Work and Pensions and is laid before Parliament by the Command of Her Majesty.
- 1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

- 2.1 The purpose of this instrument is to make changes to the Social Security (Coronavirus) (Further Measures) (Northern Ireland) Regulations 2020 to change the assessment period in which the temporary increase of the universal credit standard allowance and increased Local Housing Allowance rates will take effect for each award of universal credit. This ensures that the additional support provided is available to claimants more quickly.

3. Matters of special interest to Parliament

- 3.1 Matters of special interest to the Joint Committee on Statutory Instruments
- 3.2 These are emergency regulations in relation to the Government's response to Covid-19.
- 3.3 The SR will breach the 21-day rule as it will come into operation on the 6 April 2020. This is so increased financial support can be made available as quickly as possible to provide additional support to claimants who are making a new claim or have been awarded universal credit in order to help them manage the economic impacts of the Coronavirus pandemic.
- 3.4 The Department is bringing the SR into force as soon as possible after it has been made and laid to ensure that it benefits individuals affected by Covid-19 as soon as possible.
- 3.5 The impact of delaying the SR in order to comply with 21-day rule is that claimants will not receive the extra financial support made available to them.
- 3.6 The increase in the amount of the universal credit standard allowance will only apply to the 2020/ 2021 tax year. Consequently, it has an inbuilt end date, enabling claimants to benefit from the increased Standard Allowance for 12 assessment periods.
- 3.7 The increase in Local Housing Allowance (LHA) rates for private renters on universal credit is set out in the Universal Credit Housing Costs (Executive Determinations) Regulations (Northern Ireland) 2016 which is reviewed annually

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

- 3.8 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

- 4.1 The territorial extent of this instrument is Northern Ireland only.
4.2 The territorial application of this instrument is Northern Ireland

5. European Convention on Human Rights

- 5.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation no statement is required.

6. Legislative Context

- 6.1 Section 87 of the Northern Ireland Act 1998 (“the 1998 Act”) places a statutory duty on the Minister for Communities and Secretary of State for Work and Pensions to consult with one another with a view to securing a single social security system for the United Kingdom. Section 88 of the 1998 Act makes provision for financial adjustments to support the maintenance of these parity arrangements.
- 6.2 Underpinning the parity principle is the argument that, as people in Northern Ireland pay the same rates of income tax and National Insurance contributions as people in Great Britain, they are entitled to the same rights and benefits paid at the same time.
- 6.3 The Welfare Reform Act 2012 provides for the introduction of a new working age income-related social security benefit, UC, and the abolition of income-based Jobseeker’s Allowance, income-related Employment and Support Allowance, Income Support, Housing Benefit, Working Tax Credit and Child Tax Credit.
- 6.4 On 17th November 2015 “A Fresh Start: The Stormont Agreement and Implementation Plan” was agreed by the main political parties in Northern Ireland. Included in this agreement was the approach agreed by the Executive and HM Government to implement welfare reform in Northern Ireland. The Northern Ireland (Welfare Reform) Act 2015 provided a time-limited power for Her Majesty to legislate on social security, child support and certain matters related to employment and training in Northern Ireland by Order in Council. Any such Order in Council could then confer power on the Secretary of State or a Northern Ireland department to make further provision regarding these matters by regulation or order.
- 6.5 In line with the consent given by the Northern Ireland Assembly in relation to the 2015 Act, and with agreement of the Department for Communities in recognition of the urgency of the situation, the Department for Work and Pensions will be laying this instrument on behalf of Northern Ireland in order to deliver the changes equally across both Great Britain and Northern Ireland.
- 6.6 The instrument makes an amendment to Regulation 3 and changes the effect of Regulation 4 of the Social Security (Coronavirus) (Further Measures) Regulations (Northern Ireland) 2020 to change the assessment period in which the temporary

increase of the UC standard allowance and the increase of LHA rates will take effect for each award of universal credit. This will ensure that UC claimants who will be impacted by the Covid-19 pandemic will benefit from extra financial support more quickly so that they can ‘weather’ the wider economic effects.

7. Policy background

What is being done and why?

- 7.1 As part of the Government’s strategy of supporting people affected by Covid-19, the following changes are being made:
- a. The start date for the introduction of the temporary increase of the standard allowance is being changed so that it takes effect for assessment periods that end on or after the 6th April, instead of in line with uprating. The amounts of the temporary increase and the duration of the increase (12 assessment periods) remains unchanged.
 - b. The start date is being changed to increase LHA rates to support private sector renters claiming the UC housing cost element for the fiscal year 2020-21, so that it takes effect for assessment periods that end after the 6th April instead of in line with uprating.

Both these measures have the effect of ensuring that universal credit claimants can benefit from the increased provision more quickly.

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

- 8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

9. Consolidation

- 9.1 As this is a temporary measure consolidation is not being undertaken.

10. Consultation outcome

- 10.1 Given the urgency of these regulations, no consultation has been undertaken.

11. Guidance

- 11.1 Guidance will be issued to DfC staff urgently to reflect the changes in the SR.

12. Impact

- 12.1 This change does not negatively impact claimants. A full Impact Assessment has not been produced for this instrument as no, or no significant, impact on business, or the private, voluntary or public sector, is foreseen.
- 12.2 UC claimants will benefit from the increase to the UC Standard Allowance, as well as new claimants who become unemployed or whose earnings or work hours decrease because of the outbreak. This additional increase means claimants will be up to £1,040 better off.

13. Regulating small business

13.1 The legislation does not affect small businesses.

14. Monitoring & review

14.1 DfC is firmly committed to evaluating and monitoring the impact of its policies. To do this DfC will constantly consider whether further changes are required in line with CMO guidance while the Covid-19 outbreak continues.

15. Contact

15.1 Anne McCleary at the Department for Communities can be contacted with any queries regarding the instrument: Telephone: 028 90823332 or email: annemccleary@communities-ni.gov.uk.

15.2 Anne McCleary, Director of Social Security Policy and Legislation Division, at the Department for Communities can confirm that this Explanatory Memorandum meets the required standard. Thérèse Coffey, Secretary of State at the Department for Work and Pensions can confirm that this Explanatory Memorandum meets the required standard.