

**EXPLANATORY MEMORANDUM TO
THE SOCIAL FUND WINTER FUEL PAYMENT (TEMPORARY INCREASE)
REGULATIONS 2008**

2008 No. 1778

1. This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.
2. **Description**
 - 2.1 This Instrument makes provision to enable Winter Fuel Payment recipients to receive an additional amount with their Winter Fuel Payment for winter 2008/2009.
 - 2.2 This proposal was announced by the Chancellor in his Budget Statement on 12th March 2008.
3. **Matters of special interest to the Joint Committee on Statutory Instruments.**
 - 3.1 None
4. **Legislative Background**
 - 4.1 The amount of Winter Fuel Payment paid to older people is set out in the Winter Fuel Payment Regulations 2000, so any change to the amounts require amendments to those Regulations.
 - 4.2 Unlike other benefits the amount of Winter Fuel Payment does not increase every year. The Chancellor in his Budget Statement announces any change in the amount of Winter Fuel Payment.
5. **Territorial Extent and Application**
 - 5.1 This instrument applies to Great Britain. Similar Statutory Rules are to be introduced in respect of Northern Ireland.
6. **European Convention on Human Rights**

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

7. Policy background

- 7.1 Winter Fuel Payments were introduced as part of the Government's initiative to tackle fuel poverty amongst pensioners. Winter Fuel Payments give pensioners 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.
- 7.2 The Winter Fuel Payment Scheme is a universal benefit paid to most people aged 60 or over in Great Britain. People who have qualified for a payment in Great Britain may continue to receive the payment in another European Economic Area (EEA) country or Switzerland.
- 7.3 The Winter Fuel Payment provides a significant contribution to pensioners' winter heating bills. This winter the Winter Fuel Payment helped around 12 million older people in Great Britain.
- 7.4 Currently, people aged 60-79 receive up to £200 and people aged 80 or over receive up to £300, depending on household composition. Although the Winter Fuel Payment is based on an individual's entitlement, shared payment rates apply in some circumstances, reflecting that fuel bills are received on a household basis.
- 7.5 In his recent Budget Statement, the Chancellor announced that the Government will for this year (2008/09), increase the Winter Fuel Payment for people aged 60 and over from £200 to £250 and for people aged 80 or over from £300 to £400. This additional amount will be paid in acknowledgement of the extra expenses incurred by pensioners such as high energy bills; reassuring older people that extra money for fuel costs will be available next winter.
- 7.6 This instrument modifies the current Regulations to provide for an increase in the Winter Fuel Payment for winter 2008/09, which means that, people aged 60-79 will receive an increase of up to £50 and those aged 80 or over up to £100 depending on their household circumstances.

8. Impact

- 8.1 An Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.
- 8.2 The impact on the public sector comprises programme and administration costs. The cost of paying the additional amount to all eligible people will be around £575m with an administration cost of up to £2.5m.

9. Contact

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