EXPLANATORY MEMORANDUM TO

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

2022 No. 813

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 This instrument makes provision to enable winter fuel payment recipients to receive a higher one-off 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. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Extent and Territorial Application

- 4.1 The territorial extent of this instrument is England, Wales, and Scotland.
- 4.2 The territorial application of this instrument is England, Wales, and Scotland.
- 4.3 The Department for Communities in Northern Ireland will be making corresponding provision for Northern Ireland.

5. European Convention on Human Rights

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

6. Legislative Context

- 6.1 The amount of winter fuel payment paid to older people is set out in The Social Fund Winter Fuel Payment Regulations 2000¹ (WFP Regulations) so any change to the amounts requires amendments to the WFP Regulations.
- 6.2 The Social Fund Winter Fuel Payment (Temporary Increase) Regulations 2010², which provided for an increase for winter 2010/11, are revoked by these Regulations.

¹ https://www.legislation.gov.uk/uksi/2000/729/contents

² https://www.legislation.gov.uk/uksi/2010/1161/contents/made

7. Policy background

What is being done and why?

- 7.1 Winter fuel payments are intended to give older people reassurance they can afford to heat their homes 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. 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.
- 7.2 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 conditions³ which include being ordinarily resident in the United Kingdom (UK). For winter 2022/23 the qualifying week is the week beginning 19 September.
- 7.3 Winter fuel payments continue to be payable to UK and Irish nationals' resident in Ireland in the qualifying week, and individuals who in the qualifying week are resident in a qualifying EEA state or Switzerland who are covered by the EU Withdrawal Agreement or parallel agreements with the EEA EFTA states and Switzerland and have a genuine and sufficient link to the UK⁴. This is set out in regulation 2(4) of the Social Fund Winter Fuel Payment Regulations 2000.
- 7.4 A qualifying EEA state is one with an average winter temperature equal to, lower than, or close enough to be statistically equivalent to, the warmest winter area of the UK.
- 7.5 In most years people between State Pension age and 79 receive up to £200 as a winter fuel payment, and people aged 80 or over up to £300, depending on their circumstances.
- 7.6 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 the fact that fuel bills are received on a household basis.
- 7.7 On 26 May 2022, the Chancellor announced £15bn of support to help millions cover 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 2022/23. Some pensioners may also receive a £650 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.
- 7.8 The WFP Regulations were last amended to provide an increase in the winter fuel payment in 2010. The 2010 regulations will now be revoked. This action has not been taken previously as it was not required and to ensure the most efficient use was made of Parliamentary time.

8. European Union Withdrawal and Future Relationship

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

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³ https://www.gov.uk/winter-fuel-payment/eligibility

⁴ Genuine and sufficient link – this can include having lived or worked in the UK and having family in the UK.

9. Consolidation

9.1 This instrument temporarily modifies the current WFP Regulations to provide for an increase in the winter fuel payment for winter 2022/23.

10. Consultation outcome

- 10.1 No formal consultation has taken place.
- 10.2 These Regulations were considered by the Social Security Advisory Committee which agreed that the proposals in respect of the Regulations should not be referred to it.

11. Guidance

11.1 All relevant communications and press releases will be updated to reflect the changes to payment rates for 2022/23.

12. Impact

- 12.1 The impact on business, charities or voluntary bodies is negligible.
- 12.2 The impact on the public sector is that the overall Exchequer effect of the provision in these Regulations will be £4.6bn in 2022/23 which is £2.6bn more than would have been the case without the £300 increase.
- 12.3 An impact assessment has not been prepared for this instrument because it has negligible impact on business or civil society organisations.

13. Regulating small business

13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. Monitoring & review

14.1 This instrument provides for a temporary increase in the winter fuel payment for winter 2022/23 only and as such no review is required.

15. Contact

- Dave Pryce at the Department for Work and Pensions email: dave.pryce@dwp.gov.uk can be contacted with any queries regarding the instrument.
- 15.2 Andrew Latto, Deputy Director for Devolution, Pensioner Benefits and Carer's Allowance, at the Department for Work and Pensions can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 Guy Opperman, Parliamentary Under Secretary of State for Pensions and Financial Inclusion at the Department for Work and Pensions can confirm that this Explanatory Memorandum meets the required standard.