



EXPLANATORY NOTES

Welfare Supplementary Payments (Amendment) Act (Northern Ireland) 2022

Chapter 22

WELFARE SUPPLEMENTARY PAYMENTS (AMENDMENT) ACT (NORTHERN IRELAND) 2022

EXPLANATORY NOTES

INTRODUCTION

1. These Explanatory Notes relate to the Welfare Supplementary Payments (Amendment) Act (Northern Ireland) 2022 which received Royal Assent on 27 April 2022. They have been prepared by the Department for Communities in order to assist the reader in understanding the Act. They do not form part of the Act and have not been endorsed by the Assembly.
2. The notes need to be read in conjunction with the Act. They are not, and are not meant to be, a comprehensive description of the Act. So where a section or part of a section or Schedule does not seem to require any explanation or comment, none is given.

BACKGROUND AND POLICY OBJECTIVES

3. Over several years the United Kingdom Government has made a number of significant changes to the welfare system in Great Britain. Following talks between the Northern Ireland political parties in 2015 most of these changes are also now introduced in Northern Ireland, including the Social Sector Size Criteria. This introduced size criteria into Housing Benefit for working-age claimants in the social rented sector with effect from 20 February 2017. A corresponding provision was included in Universal Credit from it was first introduced in Northern Ireland on 27 September 2017.
4. This means that Housing Benefit and the housing costs element of Universal Credit is restricted and is based on the number of bedrooms a household is deemed to require. For those Housing Executive and Housing Association tenants who are found to be under-occupying their properties, an appropriate percentage reduction will be made to the eligible rent when calculating entitlement to Housing Benefit or the Universal Credit housing costs element.
5. As part of the Fresh Start Agreement the Northern Ireland Executive agreed to introduce a package of financial support for people affected by welfare reforms. Acting on the recommendations of the Welfare Reform Mitigations Working Group, chaired by Professor Eileen Evason, a range of Welfare Supplementary Payment schemes were subsequently developed and introduced. These are delivered under legislation that was approved by the Assembly.
6. The legislation to make the existing Welfare Supplementary Payments came to an end on 31 March 2020. In “The New Decade, New Approach” deal that accompanied the return of the Assembly in January 2020 there was a commitment that the Executive would extend the existing welfare mitigation measures beyond 31 March 2020. From this date the Department for Communities continued to make payments under the sole authority of the relevant Budget Act.

7. The Act removes the current end date of 31 March 2020, as set out in Article 137A of the Welfare Reform (Northern Ireland) Order 2015, in respect of mitigation payments for the Social Sector Size Criteria. This provides for an extension of this Welfare Supplementary Payment scheme and is in line with the political commitment established in “The New Decade, New Approach” deal.
8. The Act also requires the Department for Communities to conduct a review and report on the delivery of Welfare Supplementary Payments made under Article 137 and Article 137A. The report is to be completed no later than 31 March 2025 and is intended to inform future decisions on the provision of Welfare Supplementary Payments. This will include an assessment of the need for an extension beyond 31 March 2025 of those payments made under Article 137.

OVERVIEW

9. The Act contains four sections. Section 1 removes the current end date of 31 March 2020 for qualifying for mitigation payments in respect of the Social Sector Size Criteria. Section 2 provides that payments cannot be made under Article 137A for any period between 31 March 2020 and the date on which the Act comes into operation. Section 3 provides for the Department for Communities to report on the operation of payments made under both the mitigation schemes under Article 137 and Article 137A. Section 4 deals with commencement of and the short title of the Act.

COMMENTARY ON SECTIONS

Section 1: Time for qualifying for particular payments

Section 1 extends the period for which payments can be made as specified in Article 137A. This means that mitigation payments in respect of the Social Sector Size Criteria will be able to be made to persons where their entitlement to Housing Benefit or Universal Credit is affected at any time after 2 January 2017. There will be no new end date for these payments.

Section 2: Deemed effect of certain pre-existing provisions

Section 2 clarifies that Article 137A and any regulations made thereunder have had continuous effect from 31 March 2020 (subject to the amendment made by the Act). However, no payments are to be made under the amended Article 137A for the period between 31 March 2020 and the date on which the Act comes into operation. This will ensure that a person who has already received non-statutory mitigation payments during this period cannot become entitled to further payments under Article 137A in respect of the same period.

Section 3: Monitoring and reporting as to statutory arrangements

Section 3 requires the Department for Communities to monitor and report on the operation of the welfare mitigation schemes under both Article 137 and Article 137A. The report is to be laid in the Assembly no later than 31 March 2025. The report will provide the basis for a future assessment of the continuing need for, or amendments to, the welfare mitigation schemes by means of an evaluation of the need to amend, revoke or introduce new legislation. In particular, this will include a view on the provision of a statutory extension beyond 31 March 2025 of those mitigation schemes other than the Social Sector Size Criteria.

Section 4: Commencement and short title

Section 4 makes provision about the commencement of the provisions in the Act and provides for the short title of the Act to be the Welfare Supplementary Payments (Amendment) Act (Northern Ireland) 2022.

HANSARD REPORTS

10. The following table sets out the dates of the Hansard reports for each stage of the Act's passage through the Assembly and the date Royal Assent was received.

STAGE	DATE
First Stage	14 December 2021
Accelerated Passage	19 January 2022
Second Stage	19 January 2022
Committee Stage	N/A
Consideration Stage	8 February 2022
Further Consideration Stage	23 February 2022
Final Stage	1 March 2022
Royal Assent	27 April 2022

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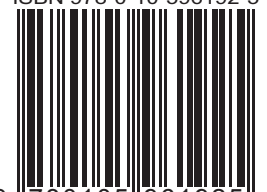
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