

EXPLANATORY MEMORANDUM TO

**THE INCOME-RELATED BENEFITS (LOCAL WELFARE PROVISION
DISREGARD) (AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2022**

S.R. 2022 No. 172

1. Introduction

- 1.1 This Explanatory Memorandum has been prepared by the Department for Communities (DfC) to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2 The Statutory Rule is made under sections 122(1)(a) and (d), 132(3) and (4)(b), 132A(3) and 171(1), (3) and (4) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992, Articles 14(1) and (4)(b) and 36(1) and (2) of the Jobseekers (Northern Ireland) Order 1995, sections 15(3) and (6)(b) and 19(1) to (3) of the State Pension Credit Act (Northern Ireland) 2002, sections 17(1) and (3)(b) and 25(1) and (2) of the Welfare Reform Act (Northern Ireland) 2007 and Article 48(1) and (2) of, and paragraph 4(1) and (3)(a) of Schedule 1 to, the Welfare Reform (Northern Ireland) Order 2015, and is subject to the negative resolution procedure.

2. Purpose

- 2.1 This Rule amends the Income Support (General) Regulations (Northern Ireland) 1987, the Jobseeker's Allowance Regulations (Northern Ireland) 1996, the State Pension Credit Regulations (Northern Ireland) 2003, the Housing Benefit Regulations (Northern Ireland) 2006, the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations (Northern Ireland) 2006, the Employment and Support Allowance Regulations (Northern Ireland) 2008 ("Legacy Benefit Regulations") and the Universal Credit Regulations (Northern Ireland) 2016 ("Universal Credit Regulations") to ensure that occasional financial assistance given by a Northern Ireland Department or a person authorised to exercise any function or service on their behalf to meet an immediate and exceptional short-term need does not affect entitlement to the benefits covered by those regulations.

3. Background

- 3.1 In February 2013, the Department for Work and Pensions inserted a disregard for any local welfare provision into legislation for Income Support, Jobseeker's Allowance, State Pension Credit, Housing Benefit, Employment and Support Allowance in Great Britain to ensure that two new payments that were to be made by local authorities to replace Council Tax Benefit and certain Social Fund payments would be disregarded. Equivalent changes were not required to legislation in Northern Ireland at that time as these two new payments were not being paid in Northern Ireland. The Department for Work and Pensions later established that although the payments would be disregarded as unearned income in Universal Credit, they could be treated as capital if paid as a lump sum or if it was not spent during the period for which it was intended.
- 3.2 On 14 March 2022 the Homes for Ukraine scheme was launched by the Secretary of State for Levelling Up, Housing and Communities.

- 3.3 Under this scheme, sponsors must provide accommodation for a minimum of six months. Sponsors can also receive an optional ‘thank you’ payment of £350 per month for up to the first 12 months of sponsorship. This payment is limited to one monthly payment per residential address, regardless of the number of individuals sponsored. Payments will stop when the sponsorship ends.
- 3.4 This Rule will amend the Legacy Benefit Regulations (Housing Benefit, Income Support, income-based Jobseeker’s Allowance, income-related Employment and Support Allowance and State Pension Credit) to include a disregard for any local welfare provision which includes payments under the Homes for Ukraine scheme. This means that where a claimant receives support in exceptional or emergency circumstances from a Northern Ireland Department or a person authorised to exercise any function or service on their behalf, that support will be disregarded for the purposes of calculating benefit entitlement.
- 3.5 This Rule also amends the Universal Credit Regulations to include a capital disregard for payments received by a Universal Credit claimant by way of local welfare provision which includes payments under the Homes for Ukraine scheme. Provision is already provided for in the Universal Credit Regulations to disregard unearned income in Universal Credit.

4. Consultation

- 4.1 There is no requirement to consult on these Regulations.

5. Equality Impact

- 5.1 In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department has considered a screening exercise on the legislative proposals for these Regulations and as they ensure that occasional financial assistance given by a Northern Ireland Department or a person authorised to exercise any function or service on their behalf, to meet an immediate and exceptional short-term need does not affect entitlement to Legacy Benefits or Universal Credit, has concluded that they do not have significant implications for equality of opportunity. In light of this, the Department considers that an Equality Impact Assessment is not necessary.

6. Regulatory Impact

- 6.1 The proposed Rule does not require a Regulatory Impact Assessment as it does not impose any new costs on business, charities or voluntary bodies or on the public sector.

7. Financial Implications

- 7.1 None for the Department.

8. Section 24 of the Northern Ireland Act 1998

- 8.1 The Department has considered section 24 of the Northern Ireland Act 1998 and is satisfied that the Rule –
- (a) is not incompatible with any of the Convention rights;
 - (b) is not incompatible with Community law;

- (c) does not discriminate against a person or class of person on the ground of religious belief or political opinion; and
- (d) does 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 corresponding Great Britain provisions are included in the Social Security (Miscellaneous Amendments) Regulations 2013 (S.I. 2013/443) and the Universal Credit (Local Welfare Provision Disregard) (Amendment) Regulations 2022 (S.I. 2022/448) which were made on 12th April 2022, which come into force on 4th May 2022. Parity of timing and substance is an integral part of the maintenance of single systems of social security, child support and pensions in line with section 87 of the Northern Ireland Act 1998.

11. Additional Information

- 11.1 Current guidance is already reflective of escalations and as such, no new guidance is necessary as a result of this amendment.