

EXPLANATORY MEMORANDUM TO
THE BENEFIT CAP (ANNUAL LIMIT) (AMENDMENT NO. 2) REGULATIONS
(NORTHERN IRELAND) 2023

2023 No. 147

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Department for Communities to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2 These Regulations are made under Articles 101(5) and (5B), 101A(1) and (2) of the Welfare Reform (Northern Ireland) Order 2015 following a review by the Secretary of State for Work and Pensions under section 96A of the Welfare Reform Act 2012. These Regulations are subject to the confirmatory resolution procedure.

2. Purpose

- 2.1 These Regulations also revoke and re-enact the provisions of the Benefit Cap (Annual Limit) (Amendment) Regulations (Northern Ireland) 2023 (S.R. 2023 No. 42) which would otherwise cease to have effect by virtue of Article 102(1A) of the Welfare Reform (Northern Ireland) Order 2015.
- 2.2 These Regulations amend the Welfare Reform (Northern Ireland) Order 2015, the Universal Credit Regulations (Northern Ireland) 2016 (S.R. 2016 No. 216) and the Housing Benefit Regulations (Northern Ireland) 2006 (S.R. 2006 No. 405) to replace the existing benefit cap levels.

3. Background

- 3.1 The benefit cap was initially introduced in May 2016 and limited the amount of working age benefits a household could receive. The annual levels were set at £26,000 for couples, couples with children and lone parents and £18,200 for single people. The levels were lowered from 7 November 2016 to £20,000 for couples and lone parents, and £13,400 for single people without children.
- 3.2 The Secretary of State for Work and Pensions undertook a review of the benefit cap levels in November 2022. Following his review, the Secretary of State decided that it is appropriate to increase the levels by 10.1% in line with Consumer Prices Index for the year ending September 2022.
- 3.3 This means that the total amount of benefits to which working age benefit households are entitled to in a year will be raised from £20,000 to £22,020 for couples and lone parents and for single people the levels will be raised from £13,400 to £14,753.

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 conducted a screening exercise on the legislative proposals. The Department has concluded that the proposals would not have significant implications for equality of opportunity and considers that an Equality Impact Assessment is not necessary.

6. Regulatory Impact

6.1 There is no impact on business, charities, voluntary bodies or on the public sector.

7. Financial Implications

7.1 None anticipated.

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 these Regulations comply with that provision.

9. EU Implications

9.1 Not applicable.

10. Parity or Replicatory Measure

10.1 These Regulations are equivalent to The Benefit Cap (Annual Limit) (Amendment) Regulations 2023 in Great Britain which were made on 14 March 2023 and came into force on 1 April 2023.

10.2 In line with the long-standing policy of parity in social security, the Regulations will come into operation on the same date as the GB Regulations. Parity of timing and substance is an integral part of the maintenance of single systems of social security, pensions and child support; during any periods where normal Assembly business is inoperative, it is sometimes necessary to re-make confirmatory regulations to protect the ethos of single systems of social security, as provided for in section 87 of the Northern Ireland Act 1998. To enable the increased rates of the benefit cap that were in place from April 2023 to continue in force, it was necessary to make these subsequent Regulations.

11. Monitoring & Review

- 11.1 There is a statutory obligation to review the benefit cap levels at least once every five years in section 96A of the Welfare Reform Act 2012. As the Secretary of State reviewed the levels in November 2022, the levels must be reviewed at least once by November 2027.

12. Additional Information

- 12.1 Guidance was issued to Department for Communities staff prior to the original Benefit Cap (Annual Limit) (Amendment) Regulations (Northern Ireland) 2023 becoming operational.