#### EXPLANATORY MEMORANDUM TO

# THE SOCIAL FUND WINTER FUEL PAYMENT (TEMPORARY INCREASE) REGULATIONS 2023

## 2023 No. 549

#### 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 His 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 2023/24. This increase was announced by the Chancellor in the Autumn Statement on 17 November 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 extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales and Scotland.
- 4.2 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England and 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 2000<sup>1</sup> (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 2022<sup>2</sup>, which provided for an increase for winter 2022/23, are revoked by these Regulations.

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<sup>&</sup>lt;sup>1</sup> https://www.legislation.gov.uk/uksi/2000/729/contents

<sup>&</sup>lt;sup>2</sup> https://www.legislation.gov.uk/uksi/2022/813/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 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.

## **Explanations**

What did any law do before the changes to be made by this instrument?

- 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 conditions<sup>3</sup> which include being ordinarily resident in the United Kingdom (UK). For winter 2023/24 the qualifying week is the week beginning 18 September.
- 7.3 Winter fuel payments continue to be payable to individuals who in the qualifying week are resident in a qualifying European Economic Area (EEA) state or Switzerland, are covered by the EU Withdrawal Agreement or parallel agreements with the EEA European Free Trade Association (EFTA) states and Switzerland and who have a genuine and sufficient link to the UK. Winter fuel payments also continue to be payable to UK and Irish nationals who are resident in Ireland in the qualifying week and are covered by the UK-Ireland social security agreement and have a genuine and sufficient link to the UK. This is set out in regulation 2(4) of the WFP Regulations.
- 7.4 Winter fuel payments are not payable in the warmer countries and territories of the EEA, which are Cyprus, France, Gibraltar, Greece, Malta, Portugal and Spain.
- 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 receive 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.

## Why is it being changed?

7.7 On 17 November 2022, the Chancellor announced further support with 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 2023/24. Some pensioners may also receive a £900 Cost of Living Payment if in receipt of a qualifying 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.

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<sup>&</sup>lt;sup>3</sup> https://www.gov.uk/winter-fuel-payment/eligibility

#### What will it now do?

- 7.8 The pensioner Cost of Living Payment of £300 per eligible household will increase the conventional winter fuel payment to £500 for a household with someone of State Pension age and £600 for a household with someone aged 80 or over.
- 7.9 The WFP Regulations were last amended to provide an increase in the winter fuel payment in 2022.

# 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.

#### 9. Consolidation

9.1 This instrument temporarily modifies the current WFP Regulations to provide for an increase in the winter fuel payment for winter 2023/24.

### 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 £4.7 billion in 2023/24 which is £2.6 billion 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 2023/24 only, so no review is required.

## 15. Contact

- Lois Teasdale at the Department for Work and Pensions email: lois.teasdale@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	Laura Trott, Parliamentary Under Secretary of State for Pensions at the Department for Work and Pensions can confirm that this Explanatory Memorandum meets the required standard.