

STATES OF JERSEY

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DRAFT INCOME SUPPORT (SPECIAL PAYMENTS) (COLD WEATHER PAYMENTS) (AMENDMENT) (JERSEY) REGULATIONS 200

**Lodged au Greffe on 9th September 2008
by the Minister for Social Security**

STATES GREFFE



Jersey

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REPORT

Introduction

In the fourth amendment to the Annual Business Plan (P.113/2008 Amd.(4)), the Council of Ministers propose an increase in Cold Weather Payments, as follows –

“In recognition of the significant increases in the cost of fuel, the Council of Ministers are proposing that the Winter Fuel Allowance be increased by 20% with effect from the payment in January 2009 (which is based on the weather for December 2008). This increase is in addition to the 6.8% increase already approved through increases to the Income Support components during 2008.

The Winter Fuel Allowance is paid to families on Income Support with either –

- An adult over 65;
- A child under 3; or
- A child or adult with a significant disability.

Last winter it was paid to approximately 2,250 families per month and the additional cost of the proposed increase would be £150,000 in 2009.”

Proposed amendments to Cold Weather Payment Regulations

Subject to the States’ approval of the Council of Ministers’ amendment, these Regulations make 2 amendments to the manner in which the Cold Weather Payment is calculated.

- The value of the Payment for the months of January to April 2009 is increased by 20% above its current level – this increase means that Payments for January to April 2009 will be set 28% above the equivalent Payments in 2008, compared to a 26% increase in fuel prices experienced during the last year.
- The value of the Payment will be reset in October 2009 and annually thereafter in line with the fuel and light element of the Jersey RPI as at June of that year – this will ensure that recipients automatically receive Payments that take account of fuel inflation in future years.

Calculation of Base Value

Under the original Regulation, the Payment was based on the adult component of Income Support multiplied by a factor of 1.16.

The original value of the adult component was £83.58 per week, giving a base value of £96.95, applicable to the months January to April 2008.

Without this change to the Regulation, the rate would have increased in line with the increase in the adult component, which will be set at £89.32 from 1st October 2008. The base value would be increased to £103.61.

Subject to States’ approval of the Council of Ministers’ amendment of the Annual Business Plan, this figure will be increased by a further 20% to give a new base value of £124.33.

This base value is 28.2% above the original value used between January and April 2008. It will be reviewed again in October 2009, in line with the change in the fuel and light element of the Jersey RPI for the 12 months up to June 2009.

Financial/manpower implications

There are no manpower implications. The additional cost is provided for in the budget allocation of £150,000 made in the Council of Ministers amendment to the Business Plan.

Explanatory Note

These Regulations substitute a new formula by which cold weather payments are calculated, including provision for capping and annual uprating.



Jersey

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Made

[date to be inserted]

Coming into force

[date to be inserted]

THE STATES, in pursuance of Articles 8 and 18 of the Income Support (Jersey) Law 2007^[1], have made the following Regulations –

1 Amendment of provisions on cold weather payments

(1) Regulation 2 of the Income Support (Special Payments) (Cold Weather Payments) (Jersey) Regulations 2008^[2] is amended as follows.

(2) For paragraph (3) there is substituted the following paragraph –

“(3) The amount of a special payment under this Regulation shall be calculated according to the formula –

$$C \times \frac{T - 90}{450}$$

where –

C is calculated according to paragraph (4); and

T is the aggregate, up to a maximum of 540, of the amount by which the average daily temperature of each day in that month falls below 15.5 degrees Celsius.”.

(3) For paragraph (4) there is substituted the following paragraph –

“(4) C is –

(a) for each cold weather month from January to April 2009 inclusive, £124.33;

(b) for each subsequent cold weather month, the figure produced by increasing or decreasing the figure for the previous April by the same percentage as that of the rise or fall in the fuel element of the Jersey Retail Prices Index published by the States of Jersey Statistics Unit for the 12 months ending in the previous June”.

(4) After paragraph (6) there is added the following paragraph –

“(7) The product of each formula in this Regulation shall be rounded up to the next whole penny.”.

2 Citation and commencement

These Regulations may be cited as the Income Support (Special Payments) (Cold Weather Payments) (Amendment) (Jersey) Regulations 200- and come into force on 1st January 2009.

[1]

chapter 26.550

[2]

R&O.7/2008