



**DfC**

Department  
for Communities  
[www.communities-ni.gov.uk](http://www.communities-ni.gov.uk)

# **Annual Report**

**Welfare Supplementary Payments**

**Discretionary Support**

**Standards of Advice and Assistance**

**Sanctions**

November 2018



© Crown Copyright 2018

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence visit:

[www.nationalarchives.gov.uk/doc/open-government-licence/version/3/](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/)

or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk)

Where we have identified any third-party copyright information you will need to obtain permission from the copyright-holders concerned.

Any enquiries regarding this document should be sent to us at:

Department for Communities  
Social Security Policy & Legislation Division  
1–7 Bedford Street  
Belfast BT2 7EG  
**Phone:** (028) 9051 5404  
**Email:** [welfarechanges@communities-ni.gov.uk](mailto:welfarechanges@communities-ni.gov.uk)

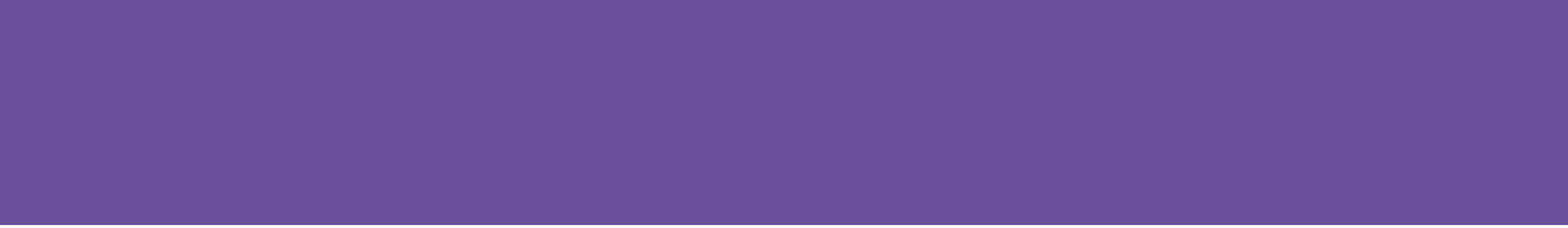
This publication is also available to download from our website at [www.communities-ni.gov.uk](http://www.communities-ni.gov.uk)

**Department for Communities  
Assembly Report 2017/18**

Welfare Supplementary Payments  
Discretionary Support  
Standards of Advice and Assistance  
Sanctions

*Laid before the Northern Ireland Assembly by the Department for Communities in accordance with Article 76 of the Social Security (Northern Ireland) Order 1998 as amended by Article 125(1)(b) and (c) of The Welfare Reform (Northern Ireland) Order 2015; Articles 135(6), 137(4), and 137A(8) of The Welfare Reform (Northern Ireland) Order 2015; and regulation 2(2) of The Housing Benefit (Welfare Supplementary Payment) Regulations (Northern Ireland) 2017.*

November 2018



# Contents

1. Introduction.....	6
2. Benefit Cap.....	8
3. Changes to Employment and Support Allowance.....	10
4. Personal Independence Payment.....	11
5. Social Sector Size Criteria.....	15
6. Universal Credit.....	17
7. Cost of Work Allowance.....	19
8. Discretionary Support.....	20
9. Standards of Advice and Assistance.....	22
10. Sanctions.....	24
11. Forward Look.....	26
Appendix 1.....	28
Appendix 2.....	29
Appendix 3.....	30
Appendix 4.....	31

# 1. Introduction

**1.1** As part of “A Fresh Start, the Stormont Agreement and Implementation Plan” the Northern Ireland Executive established the Welfare Reform Mitigations Working Group under the leadership of Professor Eileen Evason. This Group was tasked with bringing forward proposals to mitigate the impact of welfare arrangements in Northern Ireland within an agreed financial envelope.

**1.2** In January 2016 the Executive accepted the recommendations in the Welfare Reform Mitigations Working Group Report<sup>1</sup> and allocated a total of £501 million<sup>2</sup> to ‘top up’ the United Kingdom welfare arrangements in Northern Ireland until 31 March 2020. A breakdown of this funding is set out at **Appendix 1**.

## Independent Advice Services

**1.3** In recognition of the complexity of welfare changes, the Executive also committed a further £8 million of funding for the provision of additional independent advice services until 31 March 2020. These additional services will help and support claimants through the transitional period of change to the welfare system.

## Welfare Supplementary Payments

**1.4** A range of Welfare Supplementary Payment Schemes were subsequently developed to support claimants who may see their benefits reduced or ended following the introduction of:

- The Benefit Cap
- Time Limiting of Contributory Employment and Support Allowance
- Personal Independence Payment which may also affect
  - Disability Payments and / or Carer Payments
- Social Sector Size Criteria
- Universal Credit.

**1.5** Depending on their circumstances, claimants may be eligible for more than one Welfare Supplementary Payment. Claimants are not required to apply for Welfare Supplementary Payments, as the Department for Communities identifies all eligible claimants and makes payments to them.

## Reporting requirements

**1.6** The legislation set out in **Appendix 2** places a requirement on the Department for Communities to lay before the Assembly an Annual Report on the Welfare Supplementary Payments made during the financial year. It also requires a report on the operation of the Discretionary Support Scheme, on Standards of Advice and Assistance provided, and on Benefit Sanctions.

**1.7** In addition, a commitment was given by the former Minister for Communities to report biannually on the number of households who have their Welfare Supplementary Payments

---

<sup>1</sup> [www.executiveoffice-ni.gov.uk/sites/default/files/publications/ofmdfm/welfare-reform-mitigations-working-group-report.pdf](http://www.executiveoffice-ni.gov.uk/sites/default/files/publications/ofmdfm/welfare-reform-mitigations-working-group-report.pdf)

<sup>2</sup> The initial allocation in the Fresh Start Agreement was £585 million. This amount was subsequently reduced as planned changes to Tax Credits were not introduced by the UK Government.

ended as a result of the change of address policy outlined in regulation 2(2) of The Housing Benefit (Welfare Supplementary Payment) Regulations (Northern Ireland) 2017<sup>3</sup>. The Department for Communities has incorporated all of these requirements into one Annual Report.

**1.8** This is the second Annual Report, and it is laid before the Northern Ireland Assembly in accordance with Article 76 of the Social Security (Northern Ireland) Order 1998 as amended by Article 125(1)(b) and (c) of The Welfare Reform (Northern Ireland) Order 2015; Articles 135(6), 137(4) and 137A(8) of The Welfare Reform (Northern Ireland) Order 2015; and regulation 2(2) of The Housing Benefit (Welfare Supplementary Payment) Regulations (Northern Ireland) 2017.

## **Expenditure**

**1.9** The tables at **Appendix 3** detail the programme costs for each Welfare Supplementary Payment Scheme and the Universal Credit Contingency Fund in the 2017/18 financial year.

**1.10** The figures in this report, unless otherwise stated, are taken from the Department for Communities Annual Report and Accounts for 2017/18 and from Management Information Systems. All figures are rounded to the nearest ten to protect individual records and totals may not sum due to rounding.

---

<sup>3</sup> This information is provided at paragraph 5.9.

## 2. The Benefit Cap

**2.1** The Benefit Cap places an upper limit on the total amount of certain benefits a household can receive when a claimant, or their partner if they have one, is of working age. If a claimant is affected by the Benefit Cap this will result in a reduction in the amount of Housing Benefit or Universal Credit payable. However, the Benefit Cap will not apply when certain benefits are in payment (for example Disability Living Allowance or Personal Independence Payment).

**2.2** During the period of this report, all affected claimants were in receipt of Housing Benefit. As the Benefit Cap is administered through a reduction in Housing Benefit, affected claimants are informed of any reduction in their Housing Benefit (due to the Benefit Cap) by way of a Housing Benefit award notification. This is issued by the Northern Ireland Housing Executive.

### Benefit Cap limits

**2.3** With effect from 7 November 2016, the Benefit Cap limits are as follows:

- £384.62 per week (or £20,000 per year) for households made up of either a couple (with or without children) or a lone parent (who has children living with them that they are responsible for) and
- £257.69 per week (or £13,400 per year) for a single person (who has no children living with them).

### How Benefit Cap is calculated

**2.4** Some of the benefits that are received by the claimant, their partner (if they have one) and any children who live with them for whom they are responsible are added together to determine whether their total benefit income is above the Benefit Cap. These benefits are listed at **Appendix 4**. The calculation does not include individuals living in the household for whom the claimant is not responsible.

### Welfare Supplementary Payments

**2.5** The Northern Ireland Executive allocated a total of £25 million to mitigate the impact of the Benefit Cap on families until 31 March 2020.

**2.6** Welfare Supplementary Payments are available for households with children that are affected by the Benefit Cap. Payments are equivalent to the amount of Housing Benefit reduction on the date when the Benefit Cap was first applied. Payments are made, where possible, to the person who receives the Housing Benefit - this could be the claimant, their landlord, or a letting agent acting on the landlord's behalf.



**2.7** Any claimants affected by the Benefit Cap who are not eligible for a Welfare Supplementary Payment to cover their full loss may apply for a Discretionary Housing Payment to cover the portion of the reduction in their Housing Benefit that has not been covered by their Welfare Supplementary Payment.

**2.8** Table 1 below shows the total expenditure during the 2017/18 financial year on Welfare Supplementary Payments for claimants who were affected by the Benefit Cap. This equates to an average payment of £1,560 per claimant.

**Table 1: Expenditure in 2017/18 – Benefit Cap**

Welfare Supplementary Payment Scheme	Number of claimants who received Welfare Supplementary Payments	Total Amount Paid
Benefit Cap	2,480	£3,861,700

## 3. Changes to Employment and Support Allowance

**3.1** Time limiting of contribution-based Employment and Support Allowance was introduced in Northern Ireland with effect from 28 November 2016. This change limited the time for which a claimant can receive Employment and Support Allowance to 365 days. This applies to claimants who are in the work-related activity group and receive Employment and Support Allowance based only on National Insurance contributions they have paid or been credited with in the last 2 complete tax years.

**3.2** Claimants who are placed in the Support Group of Employment and Support Allowance are exempt from the limit. Any time spent in the Support Group, or in the assessment phase before moving to the Support Group, will not count towards the 365-day time limit.

**3.3** Claimants who were in the work-related activity group when the changes came into effect and had already been receiving contribution-based Employment and Support Allowance for 365 days or more were the first to be affected by this change.

### Welfare Supplementary Payments

**3.4** The Northern Ireland Executive allocated a total of £24 million to mitigate the impact of the time limiting of contribution-based Employment and Support Allowance until 31 March 2020.

**3.5** Welfare Supplementary Payments are paid to claimants who were in receipt of contribution-based Employment and Support Allowance on the date that time limiting was introduced and who subsequently lost benefit as a result of the change. The amount of the Welfare Supplementary Payment is equivalent to the actual loss of benefit, and payments are made every four weeks for up to one year.

**3.6** Table 2 below shows the total expenditure during the 2017/18 financial year on Welfare Supplementary Payments for claimants who were affected by this change. This equates to an average payment of £2,290 per claimant.

**Table 2: Expenditure in 2017/18 – Employment and Support Allowance**

Welfare Supplementary Payment Scheme	Number of claimants who received Welfare Supplementary Payments	Total Amount Paid
Employment and Support Allowance	2,610	£5,971,330

## 4. Personal Independence Payment

**4.1** Personal Independence Payment (PIP) was introduced in Northern Ireland on 20 June 2016. It replaces Disability Living Allowance (DLA) for people of working age (16-64 years old). All existing working-age Disability Living Allowance claimants will be assessed for Personal Independence Payment by spring 2019.

### Welfare Supplementary Payments

**4.2** The Northern Ireland Executive allocated a total of £94 million to mitigate this change until 31 March 2020 for those claimants who are worse off following transition from Disability Living Allowance to Personal Independence Payment.

**4.3** There are three elements available within this Welfare Supplementary Payment Scheme. Two relate to claimants who are not awarded Personal Independence Payment, and the third is available to claimants who are awarded Personal Independence Payment but at a reduced rate compared to that which they previously received under Disability Living Allowance.

### Element 1 – Payment during Appeal

**4.4** Claimants who are assessed for Personal Independence Payment and do not qualify, and subsequently appeal the decision, will receive Welfare Supplementary Payments equal to the weekly rate of their previous Disability Living Allowance payments until the Department is notified of the outcome of their appeal. Additionally, in cases where leave is granted to appeal to the Social Security Commissioners, Welfare Supplementary Payments will continue until the Department has been notified of the outcome decision or until the schemes end in March 2020, whichever is earlier.

**4.5** Table 3 below shows the total expenditure during the 2017/18 financial year on Welfare Supplementary Payments under Element 1 of the Loss of DLA scheme. This equates to an average payment of £2,120 per claimant.

**Table 3: Expenditure in 2017/18 – Loss of DLA, Element 1**

Welfare Supplementary Payment Scheme	Number of claimants who received Welfare Supplementary Payments	Total Amount Paid
Loss of DLA – Element 1	4,960	£10,500,100

## Element 2 – Lower Award

**4.6** Claimants who are assessed for Personal Independence Payment and do qualify, but at a reduced rate, and whose weekly loss is £10 or more, will receive Welfare Supplementary Payments equal to 75% of their loss of benefit for up to one year.

**4.7** Table 4 below shows the total expenditure during the 2017/18 financial year on Welfare Supplementary Payments under Element 2 of the Loss of DLA scheme. This equates to an average payment of £690 per claimant.

**Table 4: Expenditure in 2017/18 – Loss of DLA, Element 2**

Welfare Supplementary Payment Scheme	Number of claimants who received Welfare Supplementary Payments	Total Amount Paid
Loss of DLA – Element 2	9,010	£6,222,970

## Element 3 – Conflict-related Injury

**4.8** Claimants who are assessed for Personal Independence Payment and do not qualify but have received at least four points in their Personal Independence Payment assessment and can show that their disability or illness is as a result of a Northern Ireland conflict-related injury may be entitled to Welfare Supplementary Payments. These payments are equal to the standard rate of the relevant

Personal Independence Payment component and are paid for up to one year.

**4.9** Table 5 below shows the total expenditure during the 2017/18 financial year on Welfare Supplementary Payments under Element 3 of the Loss of DLA scheme. This equates to an average payment of £800 per claimant.

**Table 5: Expenditure in 2017/18 – Loss of DLA, Element 3**

Welfare Supplementary Payment Scheme	Number of claimants who received Welfare Supplementary Payments	Total Amount Paid
Loss of DLA – Element 3	10	£8,010

## Loss of Disability-related Payments

**4.10** Currently, claimants who receive an income-related benefit, or Working Tax Credit, and also receive Disability Living Allowance, may automatically receive additions to their benefit. These additions are known as Disability Premiums (or Disability Elements in Tax Credits), and the amount payable depends on the rate of Disability Living Allowance in payment.

**4.11** Claimants who transition from Disability Living Allowance to Personal Independence Payment may see a reduction in, or total loss of, the disability additions they receive. This may occur where a claimant receives no award of Personal Independence Payment or is awarded a rate of Personal Independence Payment that is lower than their previous Disability Living Allowance award.

## Welfare Supplementary Payments

**4.12** The Northern Ireland Executive allocated a total of £27 million to mitigate this change until 31 March 2020.

**4.13** Welfare Supplementary Payments are available to claimants who are receiving an income-related benefit and lose any combination of Disability Premium, Enhanced Disability Premium or Severe Disability Premium. They are also available to Working Tax Credit claimants who lose the Severe Disability Element.

**4.14** Payments are equivalent to the rate of the disability-related payments that have been lost and are paid for a maximum period of one year.

**4.15** Table 6 below shows the total expenditure during the 2017/18 financial year on Welfare Supplementary Payments for loss of disability-related payments. This equates to an average payment of £1,900 per claimant.

**Table 6: Expenditure in 2017/18 – PIP, Loss of Disability-related Payments**

Welfare Supplementary Payment Scheme	Number of claimants who received Welfare Supplementary Payments	Total Amount Paid
PIP – Loss of Disability-related Payments	1,280	£2,437,150

## Loss of Carer Payments

**4.16** Claimants who are in receipt of Carer's Allowance or a Carer Premium on an income-related benefit may find that they lose their entitlement because the person they care for is not awarded the qualifying daily living component of Personal Independence Payment on transition from Disability Living Allowance.

## Welfare Supplementary Payments

**4.17** The Northern Ireland Executive allocated a total of £18 million to mitigate this change until 31 March 2020.

**4.18** Welfare Supplementary Payments are made to claimants who lose entitlement to

Carer's Allowance and to those who lose entitlement to a Carer Premium received on the following income-related benefits:

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support (also awarded on the basis of being a carer)
- State Pension Credit.

**4.19** Table 7 below shows the total expenditure during the 2017/18 financial year on Welfare Supplementary Payments for loss of carer payments. This equates to an average payment of £1,470 per claimant.

**Table 7: Expenditure in 2017/18 – PIP, Loss of Carer Payments**

Welfare Supplementary Payment Scheme	Number of claimants who received Welfare Supplementary Payments	Total Amount Paid
PIP – Loss of Carer Payments	1,530	£2,254,160

## 5. Social Sector Size Criteria

**5.1** As part of the changes to the welfare system, an amendment to the Housing Benefit Regulations (Northern Ireland) 2006<sup>4</sup> introduced size criteria into Housing Benefit for working-age claimants in the social rented sector with effect from 20 February 2017. This means that Housing Benefit is now restricted and is based on the number of bedrooms a household requires. Equivalent provisions apply to the Housing Element of Universal Credit. Further detail on Universal Credit mitigation is included at Section 6 of this report.

**5.2** 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.

### Households not affected by the Social Sector Size Criteria

**5.3** Claimants will not be affected by the Social Sector Size Criteria if:

- they, or their partner, have reached state pension age
- they live in supported accommodation
- they live in non-mainstream accommodation, for example, houseboats, caravans or mobile homes

- they live in a shared co-ownership scheme or
- they live in temporary accommodation.

### Rates of Reduction

**5.4** Households that are considered to be under-occupying their accommodation will see a reduction in their Housing Benefit of:

- 14% of the total eligible rent for under-occupation by one bedroom or
- 25% of the total eligible rent for under-occupation by two or more bedrooms.

### Welfare Supplementary Payments

**5.5** The Northern Ireland Executive allocated a total of £91 million to mitigate the impact of Social Sector Size Criteria until 31 March 2020.

**5.6** A Welfare Supplementary Payment is available to anyone affected by the Social Sector Size Criteria. Payments are equal to the amount of the deduction and will normally be payable until 31 March 2020.

**5.7** Table 8 below shows the total expenditure during the 2017/18 financial year on Welfare Supplementary Payments for claimants affected by the Social Sector Size Criteria<sup>5</sup>. This equates to an average payment of £570 per claimant.

**Table 8: Expenditure in 2017/18 – Social Sector Size Criteria**

Welfare Supplementary Payment Scheme	Number of claimants who received Welfare Supplementary Payments	Total Amount Paid
Social Sector Size Criteria	38,700	£22,088,980

<sup>4</sup> The Housing Benefit Regulations (Northern Ireland) 2006 were amended by Article 137(A) of the Welfare Reform (Northern Ireland) Order 2015.

<sup>5</sup> Table 8 does not include those who were affected by the Social Sector Size Criteria after moving to Universal Credit (these figures are contained in Table 9).

**5.8** Regulation 2(2) of the Housing Benefit (Welfare Supplementary Payment) Regulations (Northern Ireland) 2017 operates to end a claimant's entitlement to a Welfare Supplementary Payment if they move property and continue to under-occupy by at least the same number of bedrooms. This regulation does not apply where a property is allocated to a claimant under one of the management

transfer scheme categories, commonly referred to as "Management Transfer Status".

**5.9** During the period 1 April 2017 to 31 March 2018 a total of 121 Welfare Supplementary Payments came to an end as a result of the application of regulation 2(2) of the Housing Benefit (Welfare Supplementary Payment) Regulations (Northern Ireland) 2017.



## 6. Universal Credit

**6.1** Universal Credit was introduced in Northern Ireland for new claimants with effect from 27 September 2017. It will continue to be rolled out on a phased geographical basis to all front-office locations across Northern Ireland until December 2018.

**6.2** Existing claimants who experience a change of circumstances may need to move to Universal Credit if they are living in an area where Universal Credit has already been introduced.

**6.3** All other existing claimants will be migrated to Universal Credit between July 2019 and March 2023 (dates subject to change). During this period all claimants receiving any of the six existing benefits and credits which are being replaced by Universal Credit will be actively transferred to Universal Credit.

Universal Credit replaces the following:

- Jobseeker's Allowance (Income-based)
- Employment and Support Allowance (Income-related)
- Income Support
- Working Tax Credit
- Child Tax Credit
- Housing Benefit (Rental)

### Welfare Supplementary Payments

**6.4** The Welfare Reform Mitigations Working Group did not recommend mitigation for claimants who migrate to Universal Credit. This means that any claimant who experiences a financial loss as a direct result of their move from an existing benefit to Universal Credit will not receive mitigation payments to cover their loss of benefit.

### Administrative Payments

**6.5** Those claimants who were already in receipt of Welfare Supplementary Payments (before migrating to Universal Credit) because they had been affected by other welfare reforms, will continue to receive mitigation payments (currently known as administrative payments) after they migrate to Universal Credit.

**6.6** In the absence of the Northern Ireland Assembly, the Department has been unable to bring forward legislation to provide for Welfare Supplementary Payments for Universal Credit claimants. However, to ensure that mitigation payments can be made to eligible Universal Credit claimants, the Department has introduced administrative payments under the authority of the Northern Ireland Budget Act 2017.

**6.7** Mitigation payments may also be made to new Universal Credit claimants if they are subsequently affected by the Benefit Cap and/or the Social Sector Size Criteria. These payments are made to eligible claimants as the mitigation of these welfare changes was recommended by the Welfare Reform Mitigations Working Group. Such claimants will currently receive administrative payments.

**6.8** In each case, claimants will be advised as to how long they will continue to receive administrative payments and no administrative payments will be made beyond 31 March 2020.

**6.9** During 2017/18 a total of 160 Universal Credit claimants received administrative payments. This includes claimants who were previously in receipt of Welfare Supplementary Payments in respect of Social Sector Size Criteria before they migrated to Universal Credit. This also includes administrative payments in respect of Employment and Support Allowance and Carers<sup>6</sup>.

---

<sup>6</sup> These figures have been combined to protect individual records.

**6.10** Table 9 below shows the total expenditure during the 2017/18 financial year on administrative payments for claimants on

Universal Credit. This equates to an average payment of £130 per claimant.

**Table 9: Expenditure in 2017/18 – Claimants on Universal Credit**

Mitigation Scheme	Number of claimants who received Administrative Payments	Total Amount Paid
Universal Credit	160	£20,530

**6.11** Regulation 2(2) of the Housing Benefit (Welfare Supplementary Payment) Regulations (Northern Ireland) 2017 operates to end a claimant’s entitlement to a Welfare Supplementary Payment if they move property and continue to under-occupy by at least the same number of bedrooms. This regulation does not apply where a property is allocated to a claimant under one of the management transfer scheme categories, commonly referred to as “Management Transfer Status”. This policy also applies to administrative payments made to eligible Universal Credit claimants.

**6.12** During the period 27 September 2017 to 31 March 2018 no administrative payments came to an end as a result of the application of this policy.

**Universal Credit Contingency Fund**

**6.13** The Welfare Reform Mitigations Working Group recommended that £2 million per year be made available for the provision of emergency financial support to alleviate short-term financial hardship suffered by Universal Credit claimants until 31 March 2020.

**6.14** The Department developed a Universal Credit Contingency Fund to provide emergency payments for Universal Credit claimants to alleviate financial hardship that has occurred as a result of difficulties not due to any fault on the part of the claimants.

**6.15** The Universal Credit Contingency Fund Scheme was introduced with effect from 1 November 2017, and payments are made through the current Discretionary Support Scheme in the form of non-repayable grants.

**6.16** In order to receive a Universal Credit Contingency Fund payment, claimants must have exhausted all other means of financial support. For example, they must have claimed a Universal Credit Advance Payment, and must not have received a Discretionary Support living expenses grant within the previous 12 months. Claimants must also be in either their first or second Universal Credit assessment period (until the date that the full payment due for the first assessment period is made).

**6.17** Table 10 below shows the total expenditure during the 2017/18 financial year from the Universal Credit Contingency Fund.

This equates to an average payment of £180 per claimant.

**Table 10: Expenditure in 2017/18 – Universal Credit Contingency Fund**

Universal Credit Contingency Fund	Number of claimants who received payments	Total Amount Paid
	90	£15,920

## 7. Cost of Work Allowance

**7.1** The Welfare Reform Mitigations Working Group recommended the introduction of a Cost of Work Allowance. Unlike other measures developed as specific mitigation for those directly affected financially by welfare reform, the Cost of Work Allowance was intended to provide additional income to assist people in working poverty. Payments would be available to people claiming either Working Tax Credit or Universal Credit and who satisfy the eligibility criteria. A total of £105 million was allocated for this scheme over a three-year

period i.e. £35 million per year from 2017/18 through to 31 March 2020.

**7.2** The Department has developed the outline of a Cost of Work Allowance scheme, and the necessary primary legislation to provide for payments has been made. The more detailed policy is subject to Ministerial approvals and will require appropriate secondary legislation. In the absence of a Minister and Assembly, the Department has not yet been able to progress this scheme.

## 8. Discretionary Support

**8.1** The Department for Communities is committed to ensuring that the most vulnerable in society can access appropriate help and support in times of emergency or crisis. In support of this aim, the Finance Support Service was introduced in Northern Ireland in November 2016 to provide a fast, responsive and effective quality service that ensures claimants receive immediate short-term financial support in times of emergency or crisis.

**8.2** Those on low incomes (working and non-working) may access this short-term financial help by making an application for Discretionary Support or for a short-term benefit advance when an extreme, exceptional or crisis situation arises which presents a significant risk to the health, safety or well-being of either the person making the claim or of their immediate family. Discretionary Support is unique to Northern Ireland.

### General Eligibility Conditions for Discretionary Support

**8.3** The eligibility conditions for Discretionary Support are as follows:

- The need has arisen as a consequence of an extreme, exceptional or crisis situation which presents a significant risk to the health, safety or well-being of the claimant or a member of their immediate family
- The claimant is ordinarily resident and present in Northern Ireland
- The need cannot be met from another source
- The claimant is at least 18 years old or a minimum of 16 years old in the case of a young person without parental support
- The need for Discretionary Support occurs in Northern Ireland

- The need is satisfied in Northern Ireland and
- The claimant's income, or in the case of a couple their joint income, does not exceed the income threshold currently set with reference to the national minimum wage for a person over the age of 25.

### In addition:

- A living expenses award in respect of a period for which an award has already been made to either the claimant or their partner will not be considered except in the event of a disaster
- A claim made within 12 months of a previous claim by the same person for the same goods for which an award has already been made will not be considered except in the event of a disaster
- The claimant's and, where appropriate, their partner's debt level, including any existing government debt, does not exceed £1000
- Discretionary Support assistance provided will normally be the lowest cost to meet the need and
- The claimant has made use of any available capital before applying for Discretionary Support.

### Specific Loan Eligibility Criteria

**8.4** If all general eligibility conditions (as outlined in 8.3 above) are met, a loan may be considered in the following circumstances:

- to provide immediate assistance with short-term living expenses
- to assist with the provision, repair or replacement of household items that have been stolen, broken or destroyed
- to assist with travelling expenses, including

any reasonable charge for overnight accommodation within Northern Ireland, in certain circumstances or

- to pay rent in advance to a landlord other than the Northern Ireland Housing Executive.

**8.5** In all circumstances a claimant must be able to demonstrate that they have the means and ability to repay the loan within the required time period.

**8.6** A maximum of three loans will be awarded in any 12-month period.

### Specific Grant Eligibility Criteria

**8.7** If all general eligibility conditions are met, a grant may be considered in the following circumstances:

- to provide assistance for a claimant or their immediate family to remain or begin living independently in the community or
- where a claimant or their immediate family is prevented from remaining in their home.

### 8.8 However:

- A maximum of one Discretionary Support grant will be awarded to a claimant in a rolling 12-month period except in the event of a disaster and
- If the claimant is unable to be awarded a loan for living expenses because of debt and / or affordability issues, they may be able to avail themselves of a grant for living expenses. A maximum of one such grant will be awarded in any 12-month period.

### Statistics

**8.9** Table 11 below shows Discretionary Support performance and expenditure during the 2017/18 financial year. There were no Social Fund Crisis Loans or Community Care Grants issued in 2017/18.

**Table 11: Performance and Expenditure in 2017/18 – Discretionary Support**

Discretionary Support	
Total number of claims made	67,010
Total number of awards made	44,440
Total number of disallowances	22,570
Total amount awarded	£10.6 million
Average award	£240
Claims cleared within 1-2 days	98.5%
Total loan recovery	£3.5 million
Total review requests	2,980
Total number of awards changed following review	940 (31%)

**8.10** The total amount awarded in 2017/18 breaks down as follows -

- Discretionary Support Loans £3.8 million
- Discretionary Support Grants £6.8 million.

## 9. Standards of Advice and Assistance

**9.1** The Welfare Reform Mitigations Working Group Report recommended that additional independent advice services should be put in place to help and support claimants through the transitional period of changes to the welfare system. The Executive made a commitment to provide a total of £8 million of funding until 31 March 2020 for these additional services.

**9.2** A contract was awarded on 27 September 2016 providing initial funding of £2.5 million for additional advice services until March 2018. The new free Independent Welfare Changes Helpline (0808 802 0020) and additional face-to-face front-line services went live from 1 November 2016. These services continue to be provided by Citizens Advice Bureaux, Advice NI and the Law Centre NI offering help and assistance to claimants affected by welfare changes and include the provision of specialist advice, appeals representation and advice on money management.

### Training

**9.3** Advisers continue to be provided with extensive training on:

- Personal Independence Payment (including form completion)
- Employment and Support Allowance legislative changes and mandatory reconsiderations
- Sanctions
- Mitigation Schemes
- Discretionary Support
- Rates / Housing changes
- Financial Capability
- Appeals / Tribunal representation and

- Standard Advice Sector Training Welfare Rights Adviser Programme / Adviser Programme.

**9.4** Training on Universal Credit and Digital Capability continues to be delivered to advisers across Northern Ireland in line with the roll-out of Universal Credit.

### Standards of Advice

**9.5** All advice providers are required to meet industry quality standards in relation to the advice provided and follow the Quality of Advice assurance procedure set out in the Northern Ireland Advice Quality Standard. Organisations are externally audited to ensure adherence to the standards. Furthermore, individual organisations have additional quality standards and processes in place as follows:

- **Citizens Advice Bureaux** - all local Citizens Advice members (offices) are externally audited on a three-yearly audit cycle. This process is validated by the Membership and Standards Committee. Citizens Advice has also received Advice Services Alliance Quality Mark (UK), the Money Advice Service Quality Framework, and the Pension Wise Service Quality Framework and it complies with Financial Conduct Authority regulatory guidance.
- **Advice NI** - has achieved Investors in People gold accreditation, which lasts for three years and is reviewed every 18 months. It has also received the Advice NI Money and Debt Advice Standard, which is accredited by Money Advice Service Quality Framework.

- **Law Centre NI** – is required to meet Lexcel, which is the Law Society’s legal practice quality mark for excellence in client care. This is audited annually.

**9.6** In addition to the above, each organisation has internal processes in place to check the standards of advice being provided, which includes daily case-checking by senior supervisors and case-file reviews.

### **Review of Independent Advice Service**

**9.7** In awarding the contract for the provision of the new independent welfare changes

advice service the Department committed itself to undertaking three reviews of the service at 4, 12 and 18 months respectively. The 4-month and 12-month reviews were carried out as planned. This included a customer satisfaction survey carried out at the 4-month review stage which showed that 95% of those surveyed were satisfied with the help and advice provided.

## 10. Sanctions

**10.1** A sanction is a penalty imposed by a decision-maker where a claimant fails, without good reason, to fulfil all of their responsibilities in order to continue to receive their benefit.

**10.2** Given the potential to cause hardship, the Department for Communities believes that any decision to reduce or stop a claimant's benefit should be an option of last resort. The Department is therefore committed to a preventative approach which is rooted in a desire to avoid hardship whilst promoting work and well-being.

**10.3** The Welfare Reform (Northern Ireland) Order 2015 (the Order) provided for the introduction of new benefit sanction regulations in Northern Ireland with effect from 27 September 2017. The link below details sanction information for each benefit<sup>7</sup>.

**10.4** In advance of implementing the sanction elements of the Order, the Department undertook a review of processes and communications. Additional steps were introduced with the aim of reducing the risk of claimants facing sanctions.

**10.5** This approach, which includes additional claimant touch points, was implemented with effect from 29 January 2018 in respect of Jobseeker's Allowance, Employment and Support Allowance, Income Support and Universal Credit in line with its introduction in Northern Ireland from 27 September 2017.

**10.6** Article 125 of the Order amended Article 76(1) of the Social Security (Northern Ireland)

Order 1998 to require the Department to report on sanctions either annually or at such times or intervals as may be prescribed. This defines a sanction as the loss of, or reduction in the amount of, any sanctionable benefit under the Social Security Fraud Act (Northern Ireland) 2001. The Department is required to report on the following -

- (a) the number of persons affected by sanctions
- (b) the periods for which such persons are affected
- (c) the reasons for which sanctions are imposed and
- (d) the benefits or allowances which are reduced or lost.

**10.7** During the 2016/17 financial year some of the above data were unavailable to meet the new legislative requirements as the IT systems used to record sanction decisions did not have the functionality to record the period of sanction applied. Following consideration, a manual reporting process was introduced and refined from October 2017 to ensure that all information required by legislation is captured. The first full data set will be reported for the 2018/19 reporting period.

### Jobseeker's Allowance (JSA)

**10.8** During the 2017/18 financial year, a total of 3,840 sanctions were imposed on 3,300 recipients of Jobseeker's Allowance (an individual may be sanctioned on more than one occasion). On average, the proportion of JSA recipients sanctioned each month was

---

<sup>7</sup> [www.communities-ni.gov.uk/articles/benefit-sanctions](http://www.communities-ni.gov.uk/articles/benefit-sanctions)



0.932%<sup>8</sup>. As the duration of sanctions applied has only been recorded since October 2017, the first full data set will be reported for the

2018/19 reporting period. The reasons for applying sanctions are detailed in table 12 below.

**Table 12: JSA Sanctions - 2017/18**

Reasons for applying sanctions	Number of sanctions imposed <sup>9</sup>
Failure to attend / failure to sign	2,060
Failure to participate in Steps 2 Success interview	1,550
Refusal to apply for a job	100
1 Strike / 2 Strike fraud penalty	30
Failure to comply with direction	Fewer than 10 (cannot be reported)
Lost job through misconduct	40
Left job voluntarily	50
Other	Fewer than 10 (cannot be reported)
<b>Total JSA sanctions imposed</b>	<b>3,840</b>

<sup>8</sup> This represents the average number of sanctions per month against the average number of claimants per month.

<sup>9</sup> All sanctions figures in this report are rounded to the nearest ten and may not sum due to rounding.

## Income Support

**10.9** Following the introduction of new and updated processes in October 2017, data on Income Support sanctions are now being collected. As Income Support sanctions were not introduced until 29 January 2018, the reporting period for Income Support sanctions is 29 January 2018 to 31 March 2018. During this period, a total of 60 sanctions were imposed on 60 recipients of Income Support (no individual was sanctioned on more than one occasion). On average, the proportion of Income Support recipients sanctioned each month was 0.015%<sup>10</sup>.

**10.10** All 60 Income Support sanctions were applied due to failure to attend Work-focused Interviews, and 40 of these sanctions were ongoing at the end of this reporting period. The remaining 20 sanctions cannot be broken down into the number of weeks sanctioned, as the number of claimants sanctioned for each period is fewer than ten.

## Employment and Support Allowance

**10.11** During the 2017/18 financial year, a total of 40 sanctions were imposed on 40 recipients of Employment and Support

Allowance (no individual was sanctioned on more than one occasion). On average the proportion of Employment and Support Allowance recipients sanctioned each month was 0.002%<sup>10</sup>.

**10.12** All 40 Employment and Support Allowance sanctions were applied due to failure to attend Work-focused Interviews. As the duration of these sanctions has only been recorded since October 2017, this information will be reported from 1 April 2018.

## Universal Credit

**10.13** Universal Credit was introduced in Northern Ireland for new claimants with effect from 27 September 2017. During the period 27 September 2017 to 31 March 2018, a total of ten sanctions were imposed on recipients of Universal Credit.

**10.14** It is not possible to provide a breakdown of the reasons for these sanctions, the number of recipients sanctioned, or the period of the sanctions, as all figures are fewer than ten. Full Universal Credit information will be reported from 1 April 2018.

# 11. Forward Look

**11.1** In order to meet legislative requirements, the Department for Communities plans to produce a similar Annual Report for the 2018/19 financial year.

**11.2** The Department for Communities has also given a commitment to carry out a formal review of the mitigation schemes, and this will be completed in 2018/19.

---

<sup>10</sup> This represents the average number of sanctions per month against the average number of claimants per month.

---

# Appendices

---

# Mitigation Scheme Funding

ITEM – Welfare Reform	16/17	17/18	18/19	19/20	Total
CARERS – full compensation for one year plus exemption from benefit cap	2	7	7	2	18
Adult ill health ESA-supplementary payments for one year	17	7	–	–	24
Disability – DLA					
i) payment up to appeal	1	15	14	14	44
ii) 75% if loss £10+ (for one year)	1	10	14	12	36
iii) conflict-related lower rate of PIP (for one year)	0	4	4	6	14
Additions to benefit – Adult Disability Premium (IR benefits) supplementary payments for one year	1	6	12	8	27
BENEFIT CAP – exemption for families	1	8	8	8	25
DISCRETIONARY SUPPORT SCHEME – 50%	8	8	8	8	31
SOCIAL SECTOR SIZE CRITERIA ('BEDROOM TAX') – full	15	24	26	26	91
<b>SUBTOTAL (£m) Welfare Reform</b>	<b>46</b>	<b>89</b>	<b>93</b>	<b>84</b>	<b>310</b>
ITEM – Tax Credits Mitigation: Universal Credit	16/17	17/18	18/19	19/20	Total
UC Payment flexibilities	5	9	5	5	25
Administration of support for Universal Credit	–	2	2	2	7
Support for Universal Credit	–	35	35	35	105
DISCRETIONARY SUPPORT SCHEME – 50%	8	8	8	8	31
Financial Capability	0.7	0.7	0.7	0.7	2.7
<b>SUBTOTAL (£m)</b>	<b>14</b>	<b>55</b>	<b>51</b>	<b>51</b>	<b>171</b>
ITEM – Administration	16/17	17/18	18/19	19/20	Total
Administration of mitigation scheme	5	5	5	5	20
<b>SUBTOTAL (£m)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>20</b>
	16/17	17/18	18/19	19/20	Total
<b>TOTAL (£m)</b>	<b>64</b>	<b>149</b>	<b>149</b>	<b>140</b>	<b>501</b>

Totals may not sum due to rounding.

**Note:** the additional £8m funding for independent advice services sits outside the above funding.

## Reports required under the Social Security (Northern Ireland) Order 1998

Article 76 (as amended by Article 125 of the Welfare Reform (Northern Ireland) Order 2015)	Scheme covered
<p>(1) The Department shall prepare, either annually or at such times or intervals as may be prescribed, a report on -</p> <p>(b) the standards of advice and assistance provided under Article 138 of the Welfare Reform (Northern Ireland) Order 2015;</p>	Standard of advice and assistance for persons making a claim under the order in connection with that claim.
<p>(c) The operation of sanctions.</p> <p>(1A) For the purposes of paragraph (1)(c) a sanction is—</p> <p>(a) the reduction in the amount of an award of universal credit, a jobseeker's allowance, income support or an employment and support allowance on account of a failure by a person to comply with any requirement or any other conduct of a person;</p> <p>(b) The loss of, or reduction in the amount of, any sanctionable benefit under the Social Security Fraud Act (Northern Ireland) 2001.</p> <p>(1B) A report under paragraph (1)(c) must contain details of—</p> <p>(a) the number of persons affected by sanctions;</p> <p>(b) the periods for which such persons are affected;</p> <p>(c) the reasons for which sanctions are imposed;</p> <p>(d) the benefits or allowances which are reduced or lost.</p>	Operation of sanctions

## Reports required under the Welfare Reform (Northern Ireland) Order 2015

Article 135	Scheme covered
(6) The Department shall, in respect of each financial year, prepare and lay before the Assembly a report on the operation of regulations made under this Article.	Discretionary Support – operation of regulations
Article 137	
(4) The Department shall, in respect of each financial year in which payments are made, prepare and lay before the Assembly a report on the payments made in that year.	Welfare Supplementary Payment Schemes – payments made
Article 137A*	
(8) The Department shall, in respect of each financial year in which payments are made, prepare and lay before the Assembly a report on the payments made in that year.	Social Sector Size Criteria – payments made

\* This was inserted by Article 19 of The Welfare Reform and Work (Northern Ireland) Order 2016.

The former Minister for Communities also committed the Department to reporting biannually on the number of households who have their Welfare Supplementary Payment stopped as a result of the change-of-address policy outlined in regulation 2(2) of The Housing Benefit (Welfare Supplementary Payment) Regulations (Northern Ireland) 2017.

## Programme costs for each Welfare Supplementary Payment Scheme in the 2017/18 financial year <sup>11</sup>.

Welfare Supplementary Payment Scheme	Number of claimants who received Welfare Supplementary Payments 2017/18	Total Amount Paid 2017/18
Benefit Cap	2,480	£3,861,700
Contributory Employment and Support Allowance	2,610	£5,971,330
Personal Independence Payment	13,980	£16,731,080
Loss of Disability-Related Payments	1,280	£2,437,150
Loss of Carer Payments	1,530	£2,254,160
Social Sector Size Criteria	38,700	£22,088,980
<b>Administrative Payments</b>		
Universal Credit claimants	160	£20,530
<b>TOTAL</b>	<b>60,740</b>	<b>£53,364,930</b>

## Universal Credit Contingency Fund costs in the 2017/18 financial year

Universal Credit Contingency Fund	Number of claimants who received payments	Total Amount Paid
	90	£15,920

<sup>11</sup> Figures are rounded to the nearest ten to protect individual records and totals may not sum due to rounding.

## Benefits included in the Benefit Cap calculation

The Benefit Cap will apply to the combined income from the following benefits:

- Bereavement Allowance(BAllce) / Widowed Parent's Allowance (WPA)
- Child Benefit (ChB)
- Child Tax Credit (CTC)
- Employment and Support Allowance (ESA) (contribution-based and income-related) except where the Support Component has been awarded
- Housing Benefit (HB)
- Incapacity Benefit (IB)
- Income Support (IS)
- Jobseeker's Allowance (JSA) (contribution-based and income-based)
- Maternity Allowance (MA)
- Severe Disablement Allowance (SDA)
- Widowed Mother's Allowance (WMA)
- Widow's Pension (WP)
- Widow's Pension (age-related).

### Households not affected by the Benefit Cap

The Benefit Cap does not apply to households living in Supported Exempt Accommodation. It does not apply if the claimant or their partner qualify for Working Tax Credit or if the claimant,

partner or any children they are responsible for, and who live with them, receive one of the following benefits:

- Attendance Allowance
- Carer's Allowance
- Disability Living Allowance
- Personal Independence Payment
- Employment and Support Allowance (where the Support component has been awarded)
- Guardian's Allowance
- Industrial Injuries Benefit
- Armed Forces Compensation Scheme (Guaranteed Income Payments)
- Armed Forces Independence Payment
- War Pensions (this includes the War Widow's/Widower's pension and War Disablement Pension).

One off payments such as Discretionary Support Service payments, Bereavement payments, Cold Weather and Winter Fuel payments are excluded from the calculation.

This list is not exhaustive.



**DfC**

Department  
for Communities  
[www.communities-ni.gov.uk](http://www.communities-ni.gov.uk)



9 781911 642015