



**DfC**

Department  
for Communities  
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# Annual Report on the Social Fund 2017/18

March 2019



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## **Department for Communities**

### **Annual Report on the Social Fund 2017/18**

Laid before the Northern Ireland Assembly under  
section 146(5) and 146(6) of the Social Security  
Administration (Northern Ireland) Act 1992

28 March 2018



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# Preface

Over the last financial year, the Social Fund continued to help people on low incomes through both the regulated and discretionary schemes.

The Social Fund is a regulated scheme made up of Sure Start Maternity Grants, Funeral Expenses Payments, Cold Weather Payments and Winter Fuel Payments, alongside a discretionary scheme of Budgeting Loans.

These payments provide vital financial support for people in need, by helping people and families on low income with certain one-off or occasional expenses, and provides a source of affordable credit for the financially excluded.

A total of 2,283 Sure Start Maternity Grants were awarded, totalling £1.15m to families to help meet the costs associated with a new baby. Awards amounting to £2.25m were granted under the Funeral Expenses Payment scheme. In addition, the Social Fund also provided assistance with fuel costs through Cold Weather Payments amounting to £1.9m and, with Winter Fuel Payments totalling £52.2m contributing to heating costs in 220,399 pensioner households.

A total of 113,609 Budgeting Loans were awarded totalling £55.31m.

**Tracy Meharg**  
**Permanent Secretary**  
**Department for Communities**

# 1. Introduction

**1.1** This is the thirtieth annual report on the operation of the Social Fund, and it is laid before the Northern Ireland Assembly in accordance with section 146(5) and (6) of the Social Security Administration (Northern Ireland) Act 1992.

**1.2** The Social Fund scheme comprises a regulated scheme made up of Sure Start Maternity Grants, Funeral Expenses Payments, Cold Weather and Winter Fuel Payments and a discretionary scheme of repayable Budgeting Loans.

## Source of data for this report

**1.3** The figures in this report, unless stated otherwise, are taken from the Department's Social Fund Policy, Budget

and Management Information System and from scans of the Social Fund Computer System<sup>1</sup>. Together these data sources record details of every individual application, subsequent payment decision and any outstanding repayment record and also provide useful comparative data for various purposes such as average awards, what needs they cover and how various client groups are using the Social Fund. These comparisons are shown in the annexes to this report.

**1.4** The figures in this report, unless otherwise stated, do not include clerical cases that have not yet been built onto the Social Fund Computer System.

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<sup>1</sup> There is also a statutory requirement to produce a Social Fund White Paper Account. Current arrangements are that this is laid in the Northern Ireland Assembly separately.

## 2. The regulated Social Fund

### Sure Start Maternity Grants

- 2.1** The Sure Start Maternity Grant is a payment of £500 to provide important help for families with the costs of a new baby (or babies in the event of a multiple birth) if there are no other children under 16 in the claimant's family. The grant is available to recipients, and partners of recipients, of a qualifying benefit or tax credit. For claims in 2017/18 these are: Income Support; income-related Employment and Support Allowance; income-based Jobseeker's Allowance; Pension Credit; Child Tax Credit; or Working Tax Credit (which includes a disability or a severe disability element) and Universal Credit.
- 2.2** Sure Start Maternity Grants are also available for the additional children of subsequent multiple births, even though there may already be a child under 16 in the family. For example where the birth of twins follows a previous single birth, a Sure Start Maternity Grant can be paid to help with costs of the additional child.
- 2.3** In 2017/18, 2,283 awards were made worth £1.15m. Sure Start Maternity Grant statistics are in Annexes 1 and 2.

### Funeral Expenses Payments

- 2.4** The Funeral Expenses Payment scheme continues to provide help towards a funeral. Payments are made to a person responsible for funeral costs who is in receipt of (or whose partner is in receipt

of) a qualifying benefit or tax credits. In 2017/18 the qualifying benefits and tax credits are the same as for the Sure Start Maternity Grant (see paragraph 2.1 above), but with the addition of Housing Benefit.

- 2.5** In 2017/18, 2,089 awards were made worth £2.25m.
- 2.6** The Bereavement Service provides a means of claiming a Funeral Expenses Payment by telephone for people in receipt of income-related benefits, reporting the death of a relative or friend. Funeral Expenses Payment claims may also be made by completing and submitting the written Funeral Expenses Payment claim form.
- 2.7** Funeral Payment statistics are in Annexes 1 and 2.

### Cold Weather Payments

- 2.8** Cold Weather Payments provide help with additional costs of heating during periods of severe weather. The scheme runs from 1 November to 31 March each year.

Every residential postcode in Northern Ireland is linked to one of the weather stations used in the scheme. A payment of £25 is made when the average temperature has been recorded as, or is forecast to be, 0°C or below over seven consecutive days at the weather station linked to the person's postcode.



2.9 In 2017/18, eligible recipients of a Cold Weather Payment were:

Benefit in Payment	Qualifying Conditions for a Cold Weather Payment
Pension Credit	Entitled to Cold Weather Payment (CWP).
Income Support (IS)	Entitled to a CWP if they receive a disability premium, a severe disability premium, any one of the pensioner premiums, a child disability premium within IS or Child Tax Credit (CTC) or they have a child under 5 years.
Income based Jobseeker's Allowance (JSA(IB))	Entitled to a CWP if they receive a disability premium, a severe disability premium, any one of the pensioner premiums, a child disability premium within JSA (IB) or CTC or they have child under 5 years.
Income-related Employment and Support Allowance (ESA(IR))	Entitled to a CWP if they receive the support component, the work-related activity component, a severe or enhanced disability premium, pensioner premium, or have a child who is disabled for whom they receive a disability premium within CTC or have a child under 5 years.
UC Qualifying conditions	Entitled to a CWP if they have an award of UC for at least one day in seven day period and must also fall under one of the following criteria, In receipt of (have entitlement to) limited capability for work, In receipt of limited capability for work and work-related activity, In receipt of disabled child addition, be responsible for a child under the age of five.

2.10 In 2017/18, there were 75,938 CWP awards totalling £1.9m.

2017/2018 on Winter Fuel Payments was £52.2m.

2.11 Cold Weather Payment statistics are in Annex 1.

2.14 Households with someone who had reached State Pension age for women and aged up to 79 received £200 and households with someone aged 80 or over received £300.

## Winter Fuel Payments

2.12 Winter Fuel Payments help older people to meet heating costs. They are tax free and do not affect entitlement to social security benefits.

2.15 Most people who had reached the State Pension age for women in 2017/18 and who were normally living in Northern Ireland were eligible for the Winter Fuel Payment. Winter Fuel Payments are paid to people residing in the majority of

2.13 In total 299,387 people in 220,399 households benefited from a Winter Fuel Payment in 2017/2018. The total spent in

European Economic Area countries or Switzerland as long as they have a genuine and sufficient link with the UK. The qualifying week for winter 2017/18 payments was the week beginning 18 September 2017.

2.16 The majority of payments were made automatically before Christmas 2017 without the need to claim. However, newly

eligible people needed to make a claim if they were not receiving a social security benefit (or receiving only Housing Benefit, Child Benefit or Universal Credit) during the qualifying week.

2.17 The qualifying age for Winter Fuel Payments for men and women is increasing in line with the overall increase in State Pension Age.

## 3. The Discretionary Social Fund

### Budgeting Loans

3.1 Budgeting Loans are repayable awards, which take the form of interest free loans. They are designed to help people, who have been in receipt of a qualifying benefit for at least six months, with intermittent expenses for which it is difficult to budget. The qualifying benefits are: Income Support; income-related Employment and Support Allowance; income-based Jobseeker's Allowance; and Pension Credit.

3.2 In 2017/18, a total of 113,609 awards were made, worth £55.31m.

3.3 There is a single Budgeting Loans allocation, which is controlled and managed at a regional level to ensure that

all Budgeting Loan applicants in the same circumstances are treated in a similar way wherever they live. From April 2013, this budget has been funded solely from recoveries without any additional Annually Managed Expenditure allocations.

3.4 The Budgeting Loan scheme will remain in place for applicants in receipt of existing income-related benefits until they migrate to Universal Credit (at which point they may be eligible for Budgeting Advances. A Budgeting Advance is not an award from the Social Fund).

3.5 Budgeting Loan statistics are in Annexes 1, 3, 4, 5, 6 and 7.

## 4. General Administration

- 4.1 In 2017/18, the Social Fund was delivered via the Department for Communities regional offices.
- 4.2 The normal method of applying for Funeral Expenses Payments, Sure Start Maternity Grants and Budgeting Loans is in writing. The Bereavement Service, however, takes Funeral Expenses Payment claims over the telephone when a potential recipient prefers this to making a written claim.

### Reviews

- 4.3 A regulated Social Fund applicant who is dissatisfied with the initial decision on their application may apply to have the decision reviewed under a mandatory reconsideration within 14 days of the original decision.
- 4.4 Applicants who remained dissatisfied are able to appeal the decision to The Appeals Service (NI). The data for 2017/18 is reported at Annex 8.

- 4.5 A discretionary Social Fund applicant who was dissatisfied with the initial decision on their application may apply to have the decision reviewed. Consideration is given to whether the law (including Directions and Guidance) has been applied correctly, and the case handled fairly and reasonably.
- 4.6 A reviewing officer within the Department for Communities carries out the first review and the outcome is notified to the applicant. In 2017/2018 over 7,072 applications for first review were dealt with.
- 4.7 Applicants who remained dissatisfied were able to ask for a further review by the Independent Case Examiner (ICE).

### Clearance standards

- 4.8 Local and regional performance is monitored against a comprehensive set of Social Fund clearance standards. The achievement against the standard in 2017/18 is shown below.

Average Actual Clearance Times (AACT) (working days)	AACT Standard	Achieved in 2017/18
Budgeting Loans	4	3.9
Local Review of above loans	10	1.6
Funeral Expenses Payments	11	13.5
Sure Start Maternity Grants	5	5.1

## 5. Financial Issues

### Background

**5.1** Payments from the regulated Social Fund are entitlement based and not paid from a cash-limited budget. Regulations prescribe the circumstances and amounts that are payable.

**5.2** There is a regional cash-limited allocation for the discretionary Social Fund, i.e. Budgeting Loans budgets.

### The 2017/2018 discretionary Social Fund budget

**5.3** In the financial year 2017/2018 April 2017, the total gross budget of £54m comprised:

Budgeting Loan recoveries of £54m.

### Recoveries

**5.4** The Department for Communities' Debt Management Unit manages the recovery of Social Fund loans from the majority of people who are no longer in receipt of benefit.

**5.5** In 2017/18 the Debt Management Unit registered 46,594 new Social Fund loan referrals.

**5.6** £7.82m was recovered through the repayment of Crisis Loans. Crisis Loans were abolished in November 2016 and replaced by Short Term Benefit Advances and Discretionary Support Loans.

**5.7** £56.22m was recovered through the repayment of Budgeting Loans.

**5.8** Details of recoveries are given in Annex 6.

## 6. Summary of Financial Performance

**6.1** In 2017/18 the regulated Social Fund provided payments of just over £5.3m, with an additional £52.2m of Winter Fuel Payments paid to 220,399 households that include someone who had reached state pension age for women.

**6.2** Gross expenditure on discretionary Social Fund Budgeting Loans was £55.31m.

**6.3** Overall during 2017/18, the discretionary Social Fund provided help in the form of 113,609 awards.

The 2018/2019 discretionary Social Fund budget

**6.4** In April 2018 the total gross budget of £55.6m comprised:

- Budgeting Loans budget      £55.6m

## 7. Index to Annexes

### General

1. Northern Ireland Social Fund summary statistics **The Regulated Social Fund**
2. Sure Start Maternity Grants and Funeral Expenses Payments: awards by claimant group and by qualifying benefit or tax credit

### **The Discretionary Social Fund**

3. Discretionary Budgeting Loans gross expenditure by applicant group
4. Budgeting Loans: awards by family composition with 2016/17
5. Budgeting Loans: reasons for initial refusal by applicant group
6. Budgeting Loan Recoveries and Repayment Source
7. Summary of Social Fund Review applications

### **Social Fund Appeals**

8. Summary of Social Fund Appeals

### **Client Groups and Applicant Groups**

9. Client Groups and Applicant or Claimant Group definitions

## Northern Ireland Social Fund summary Statistics

	REGULATED SOCIAL FUND			DISCRETIONARY SOCIAL FUND
	SSMG	CWP	FEP	BL
Applications received	4,661	N/A	3,018	132,385
Initial decisions	4,666	N/A	3,025	134,121
Awards	2,283	75,938	2,089	113,609
Awards as % of initial decisions	48.9%	N/A	69.1%	84.7%
Initial refusals	2,505	N/A	1,027	18,615
Gross expenditure £m	1.15	1.9	2.25	55.31
Recoveries £m	N/A	N/A	0.10	56.22
Net expenditure £m	1.15	N/A	2.15	-0.91
Average award	£505.26	N/A	£1077.82	£486.84

**KEY**

- SSMG - SURE START MATERNITY GRANT  
 CWP - COLD WEATHER PAYMENT  
 BL - BUDGETING LOAN  
 FEP - FUNERAL EXPENSES PAYMENT  
 N/A - not applicable

**NOTES:**

1. Average SSMG award reflects multiple births.
2. There is no requirement to claim Cold Weather Payments.
3. The number of discretionary awards made after review is not included in the table. However, gross expenditure does include awards made after review, reconsideration or appeal.
4. For the regulated Social Fund, the method of calculating average awards is to divide gross expenditure by the number of awards (including those made after reconsideration or appeal).
5. For the discretionary Social Fund, the method of calculating average awards is to divide initial gross expenditure (excluding the value of review awards) by the number of initial awards.
6. The difference between applications received, initial decisions, awards and initial refusals, is due to: applications being withdrawn; applicants rejecting or not responding to loan offers; and, not decided at the time the count was made.
7. Cold Weather Payment figures are taken from Departmental records.
8. Figures and percentages may not sum due to rounding.

## ANNEX 2

### Sure Start Maternity Grants and Funeral Expenses Payments Awards by Claimant Group

Claimant Group	Sure Start Maternity Grants		Funeral Expenses Payments	
	Awards	%	Awards	%
Pensioners	4	0.2	843	40.4
Unemployed	1,168	51.2	670	32.1
Disabled	11	0.5	75	3.6
Lone Parents	68	3.0	174	8.3
Employed	31	1.4	2	0.1
Others	1,001	43.8	325	15.6
<b>Total</b>	<b>2,283</b>	<b>100.0</b>	<b>2,089</b>	<b>100.0</b>

## Awards by qualifying benefit or tax credit

Qualifying Benefit	Sure Start Maternity Grants		Funeral Expenses Payments	
	Awards	% of Total Awards	Awards	% of Total Awards
Income Support, Employment and Support Allowance (income related), Jobseeker's Allowance (income-based) and Pension Credit	1,325	58.0	1,737	83.1
Child Tax Credit (at a rate higher than the family element)/ Working Tax Credit (which includes a disability or a severe disability element)	958	42.0	174	8.3
Housing Benefit	N/A	N/A	178	8.5
<b>Total</b>	<b>2,283</b>	<b>100.0</b>	<b>2,089</b>	<b>100.0</b>

### NOTES:

1. Claimant group definitions are in Annex 9.
2. These tables include awards made after reconsideration or appeal
3. If an award is made to a claimant who receives more than one qualifying benefit or tax credit, then the award is recorded under the qualifying benefit or tax credit which appears first in the table above.
4. Figures and percentages may not sum due to rounding.



## Discretionary Budgeting Loans

### Gross Expenditure by Application Group

Applicant Group	Budgeting Loans	
	Amount £	% of Total Amount
Pensioners	4,301,214	7.8
Unemployed	5,957,771	10.8
Disabled	12,689,480	22.9
Lone Parents	15,462,970	28.0
Others	16,898,227	30.6
<b>Total</b>	<b>55,309,662</b>	<b>100.0</b>

#### NOTES:

1. Applicant group definitions are in Annex 9.
2. This table includes awards on review.
3. Figures and percentages may not sum due to rounding.

## Budgeting Loans

### Awards by Family Composition 2017/18 April-July 2017

	No. of Awards	Gross Expenditure £m	Average Award £	A% of Total Number of Awards		% of Total Gross Expenditure	
				2016 /17	2016 /17	2016 /17	2016 /17
Single person, no children	21,980	6,149,762	279.79	55.8	53.7	43.5	42.3
Couple, no children	2,010	841,669	418.74	4.9	4.9	5.9	5.8
Single person or couple with children	16,916	7,550,166	446.33	39.3	41.4	50.6	51.9

#### NOTES:

1. This table does not include awards and gross expenditure on review.
2. This table does not include awards for which no partner flag was recorded. For Apr-July 2017, this accounts for less than 1% of the total number of initial awards (171 cases).
3. Figures and percentages may not sum due to rounding.
4. These figures were obtained from scans of the Social Fund Computer System.
5. Data for Budgeting Loan Awards is not currently available beyond July 2017.

## Budgeting Loans

### Reasons for Initial Refusal by Applicant Group

#### Counts

	Pensioners	Disabled	Lone Parents	Unemployed	Others	Total
Outstanding Social Fund debt	0	34	18	34	44	130
Not in receipt of a qualifying benefit	0	593	147	648	1,445	2,833
Not in receipt of a qualifying benefit for 26 weeks	108	721	913	1,689	1,551	4,982
Other	419	2,613	1,172	2,198	4,266	10,668
<b>Total</b>	<b>527</b>	<b>3,961</b>	<b>2,250</b>	<b>4,569</b>	<b>7,306</b>	<b>18,613</b>

#### Percentages

	Pensioners	Disabled	Lone Parents	Unemployed	Others	Total
Outstanding Social Fund debt	0.0%	0.9%	0.8%	0.7%	0.6%	0.7%
Not in receipt of a qualifying benefit	0.0%	15.0%	6.5%	14.2%	19.8%	15.2%
Not in receipt of a qualifying benefit for 26 weeks	20.5%	18.2%	40.6%	37.0%	21.2%	26.8%
Other	79.5%	66.0%	52.1%	48.1%	58.4%	57.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

#### NOTES:

1. The qualifying benefits are: Income Support; income-related Employment and Support

2. Allowance income-based Jobseeker's Allowance; Pension Credit.  
Figures and percentages may not sum due to rounding.

## Recoveries

### Average Weekly Repayment Deductions from Income Support, Jobseeker's Allowance and Pension Credit

		Feb 2017	May 2017	Aug 2017	Nov 2017
Average deduction	IS	£18.91	*	£18.92	£19.05
	JSA	£10.69	£11.13	£11.50	£11.74
	PC	£18.47	£17.87	£18.32	£18.48
Number of deductions	IS	21,220	*	18,860	17,400
	JSA	10,380	9,855	9,890	8,830
	PC	4,560	4,020	4,160	3,900

#### NOTES:

1. Data from Income Support, Jobseeker's Allowance and Pension Credit Quarterly Statistical Enquiries.
2. Data for IS is unavailable at May 2017.

## Repayment Source 2017/18

	Crisis Loans		Budgeting Loans	
	Amount £	% of Total Amount	Amount £	% of Total Amount
Income Support & Pension Credit	1,569,549	20.1%	21,546,365	38.3%
Jobseeker's Allowance	2,119,458	27.1%	7,112,729	12.7%
Employment and Support Allowance	3,152,239	40.3%	23,414,338	41.6%
Incapacity Benefit	82	0.0%	115	0.0%
Other benefits	226,977	2.9%	1,945,969	3.5%
Cash	748,914	9.6%	2,200,251	3.9%

#### NOTES:

1. Social Fund loans are recoverable from most Social Security benefits.
2. Figures and percentages may not sum due to rounding.

## ANNEX 7

### Summary of Social Fund Review Applications

First Reviews	BL
Number of applications for first review	324
Number of decisions	0
Revised at first review	96

#### NOTES:

1. The number of reviewing officer decisions reviewed excludes applications for Social Fund Inspector review that were outside the Inspector's jurisdiction or withdrawn.
2. Percentages have been calculated using non-rounded figures.
3. Totals may not sum due to rounding.

## ANNEX 8

### 2017/18 Appeals

#### Appeals

Type of Payment	Number of appeals	Number heard and decided at hearing	Number decided in appellant's favour
Funeral Payments	33	26	2
Sure Start Maternity Grants	12	11	2

#### SOURCE:

Figures are provided by the Appeals Service NI.

#### NOTES:

1. The number of appeals is the number received by the Appeals Service NI.
2. Percentages have been calculated using non-rounded figures.
3. 'Number of appeals heard and decided at hearing' may not necessarily have been received in the same financial period.

## Client Groups

Social Fund payments are wide ranging from payments to help with intermittent unexpected expenses (mainly to those in receipt of qualifying benefits), to payments aimed at certain groups to help with particular events. The fund does not therefore fall exclusively into any one of the Departmental client groups of Children, Working Age and Older People, although Social Fund payments are either paid to, or benefit, all of these groups. Some statistics in this report are shown by applicant or claimant groups that fall into one or more of the wider client groups.

## Applicant or Claimant Group Definitions

### Pensioners

INCLUDES:

- applicant or partner at minimum state pension age or over with Pension Credit
- applicant or partner at minimum state pension age or over in receipt of state retirement pension

Includes also where applicant is under minimum state pension age and partner is:

- minimum state pension age or over with Income Support (IS) pensioner premium
- 80 or over with IS higher pensioner premium
- minimum state pension age to 79, disabled with IS higher pensioner premium

### Unemployed

INCLUDES:

- unemployed or with training allowance

### Disabled

INCLUDES:

- in receipt of Employment and Support Allowance
- applicant or partner aged under minimum state pension age with IS disability premium
- lone parent with IS disability premium
- family with IS disability premium
- others with IS disability premium
- in receipt of other benefit for incapacity or disablement

### Lone Parent

INCLUDES:

- person who has no partner and is receiving Income Support because they are responsible for a child

### Others

INCLUDES:

- involved in a trade dispute
- in paid employment
- not known or unallocated

**Note:** It is possible that an applicant who is unemployed may receive a disability or pensioner premium. Such an applicant would be counted as unemployed.



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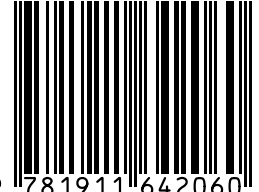


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ISBN 978-1-911642-06-0



9 781911 642060