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Department  
for Communities

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# Report on the Social Fund

Annual Report

2018/19



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## **Department for Communities**

### **Annual Report on the Social Fund 2018/19**

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

28 January 2020



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# Preface

Over the last 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.

Over 106,000 Budgeting Loans were awarded totalling £56.074 million.

A total of 2,217 maternity grants were awarded, totalling £1.12m to families to help meet the costs associated with a new baby. Awards amounting to £2.23 million were

granted under the Funeral Payment scheme. In addition, the Fund also provided assistance with fuel costs, with Winter Fuel Payments contributing to heating costs in 216,637 pensioner households.

Under the continued roll out of Universal Credit, Budgeting Advances will gradually replace Budgeting Loans.



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

## 1. Introduction

- 1.1 This is the thirty first 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 Maternity, Funeral, Cold Weather and Winter Fuel Payments and a discretionary scheme comprising 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 2018/19 these are: Income Support; income-related Employment and Support Allowance; income-based Jobseeker's Allowance; Pension Credit; Child Tax Credit (at a rate higher than the family element); 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. This recognises that help is needed with the costs of each additional child of a subsequent multiple birth. 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 2018/19, 2,217 awards were made worth £1.12 million. Sure Start Maternity Grant statistics are in **Annexes 1, 2 and 8**.

### Funeral Payments

2.4 The Funeral Payment scheme continues to provide help towards a simple, respectful, low-cost 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 credit. In 2018/19 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 2018/19, 2,127 awards were made worth £2.33 million.

2.6 The Bereavement Service has continued to provide a means of claiming a Funeral Payment by telephone for people in receipt of income-related benefits, reporting the death of a relative or friend. Funeral Payment claims may also be made by completing and submitting the written Funeral Payment claim form.

2.7 Funeral Payment statistics are in **Annexes 1, 2 and 8**.

### 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 2018/19, 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.
Universal Credit Qualifying conditions	<p>Entitled to a CWP under Universal Credit if they are:</p> <ul style="list-style-type: none"> <li>• not employed or self-employed</li> <li>• they, or their partner, receive a limited capability for work element (with or without a work-related activity element)</li> <li>• they receive the disabled child element within their assessment</li> <li>• have a child under 5 years.</li> </ul> <p>Universal credit recipients who are employed or self-employed will only be eligible for CWPs if they have a disabled child or eligible young person in the family.</p>

2.10 In 2018/19, there were no CWP awards.

2.11 Cold Weather Payment statistics are in **Annex 1**.

### 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.

2.13 In total 293,744 people in 216,637 households benefited from a Winter Fuel Payment in 2018/2019. The total spent in 2018/2019 on Winter Fuel Payments was £51.5 million.

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.

2.15 Most people who had reached the State Pension age for women and who were normally living in Northern Ireland were eligible for the Winter Fuel Payment. People do not receive a payment if during the qualifying week they:

- were in prison
- were in hospital receiving free treatment for more than 52 weeks
- needed permission to enter the

UK and do not qualify for help from the Department

- have been living in a care home for the previous twelve weeks or more and receive Pension Credit, income related Jobseeker's Allowance or income-related Employment and Support Allowance.

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

2.17 Winter Fuel Payments are paid to people residing in the majority of European Economic Area countries or Switzerland as long as they have a genuine and sufficient link with the UK. The qualifying week for winter 2018/19 payments was the week beginning 17 September 2018.

2.18 The countries where Winter Fuel Payments are no longer payable are Cyprus, Greece, France, Gibraltar, Malta, Portugal and Spain.

2.19 The majority of payments were made automatically before Christmas 2018 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 or Child Benefit) during the qualifying week.

## 3. Introduction

### Budgeting Loans

3.1 Budgeting Loans are repayable awards, which take the form of interest free loans. They 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 2018/19, a total of 106,207 awards were made, worth £56.074 million.

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 a Budgeting Advance). The possibility of providing an on-line digital budgeting loan application is being explored.

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

## 4. General Administration

4.1 In 2018/19, Budgeting Loans, Budgeting Loan Reviews and Sure Start Maternity Grants were delivered by the centralised Social Fund Team in Lisburn Jobs and Benefits Office. Funeral Payments are dealt with by the Bereavement Service.

4.2 The normal method of applying for Funeral Payments, Sure Start Maternity Grants and Budgeting Loans is in writing. The Bereavement Service, however, takes Funeral Payment claims over the telephone when a potential Funeral Payment recipient prefers this to making a written claim.

### Reviews

4.3 Budgeting Loans are subject to review. Sure Start Maternity Grants and Funeral

Payments are subject to mandatory reconsideration or appeals process.

4.4 A reviewing officer within the Department for Communities carries out the first review and the outcome is notified to the applicant. In 2018/2019 850 applications for first review were dealt with.

4.5 Applicants who remained dissatisfied were able to ask for a further review by the Independent Case Examiner (ICE).

### Clearance standards

4.6 Local and regional performance is monitored against a comprehensive set of Social Fund clearance standards. The achievement against the standard in 2018/19 is shown below.

Average Actual Clearance Times (AACT) (working days)	AACT Standard	Achieved in 2018/19
Budgeting Loans	14	4.9
Local Review of above loans	10	1.54
Funeral Payments	11	13.5
Sure Start Maternity Grants	5	3.1

## 5. Financial Management

### 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 Budgeting Loans budgets.

### The 2018/2019 discretionary Social Fund budget

- 5.3 In April 2018, the total gross budget of £55.6 million comprised:
- Budgeting Loan recoveries of £55.6 million.

### 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 2018/19 the Debt Management Unit registered 31,953 new Social Fund loan referrals.
- 5.6 £3.77 million was recovered through the repayment of Crisis Loans.
- 5.7 £57.44 million was recovered through the repayment of Budgeting Loans.
- 5.8 Details of recoveries are given in **Annex 1** and **6**.

## 6. Summary of Financial Performance

- 6.1 In 2018/19 the Social Fund provided payments of just over £59.524 million, with an additional £51.5 million of Winter Fuel Payments paid to 216,637 households that include someone who had reached state pension age for women.
- 6.2 Gross expenditure on Budgeting Loans was £56.07million.
- 6.3 Overall during 2018/19, the discretionary Social Fund provided help in the form of 106,207 awards. (**See Annex 1**)

## The 2018/2019 discretionary Social Fund budget

- 6.4 In April 2018, a single national Budgeting Loans budget of £55.6m was allocated, composed entirely of loan recoveries. Budgeting Loan payments were able to increase beyond the initial budget due to the availability of increased loan recoveries achieved during the year to finance them.
- 6.5 Loan recoveries during the year were £57.4m against a forecast recovery of £55.6m at the beginning of 2018-19.

## **7. Index to Annexes**

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# Northern Ireland Social Fund Summary Statistics

	Regulated Social Fund			Discretionary Social Fund
	SSMG	CWP	FP	BL
Applications received	4,406	N/A	2,936	118,988
Initial decisions	4,406	N/A	2,908	118,720
Awards	2,217	0	2,127	106,207
Awards as % of initial decisions	50.31%	N/A	73.14%	89.5%
Initial refusals	2,189	N/A	809	10,868
Gross expenditure £m	1.12	0	2.33	56.074
Recoveries £m	N/A	N/A	0.10	57.44
Net expenditure £m	1.12	N/A	2.14	-1.37
Average award	£505.19	N/A	£1053.82	£527.97

## KEY

**SSMG** = Sure Start Maternity Grant | **CWP** = Cold Weather Payment | **BL** = Budgeting Loan

**FP** = Funeral 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.



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

Claimant Group	Sure Start Maternity Grants		Funeral Payments	
	Awards	%	Awards	%
Pensioners	0	0.0	822	38.6
Unemployed	1,751	79	434	20.4
Disabled	5	0	351	16.5
Lone Parents	2	0	217	10.2
Employed	16	1	40	2.0
Others	443	20	263	12.36
<b>Total</b>	<b>2,217</b>	<b>100.0</b>	<b>2,127</b>	<b>100.6</b>

## Awards by Qualifying Benefit or Tax Credit

Qualifying Benefit	Sure Start Maternity Grants		Funeral 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	1,763	80.0	1,797	84.4
Child Tax Credit (at a rate higher than the family element)/Working Tax Credit (which includes a disability or a severe disability element)	454	20.0	172	8.0
Housing Benefit	N/A	N/A	158	7.6
<b>Total</b>	<b>2,217</b>	<b>100.0</b>	<b>2,127</b>	<b>100.6</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 Grants and Loans Gross Expenditure by Applicant Group

Applicant Group	Budgeting Loans	
	Amount £	% of Total Amount
Pensioners	4,079,365	7.3%
Unemployed	5,494,128	9.8%
Disabled	12,759,421	22.8%
Lone Parents	14,722,901	26.2%
Others	19,018,426	33.9%
<b>Total</b>	<b>56,074,241</b>	<b>100%</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 Reasons for Initial Refusal by Applicant Group

Counts						
	Pensioners	Disabled	Lone Parents	Unemployed	Others	Total
Outstanding Social Fund debt	1	29	28	27	34	119
Not in receipt of a qualifying benefit	47	528	171	525	1,952	3,223
Not in receipt of a qualifying benefit for 26 weeks	42	493	506	821	934	2,796
Other	196	1,085	188	1,040	2,220	4,729
<b>Total</b>	<b>286</b>	<b>2,135</b>	<b>893</b>	<b>2,413</b>	<b>5,140</b>	<b>10,867</b>

Percentages						
	Pensioners	Disabled	Lone Parents	Unemployed	Others	Total
Outstanding Social Fund debt	0.0%	1.4%	3.1%	1.1%	0.6%	1.0%
Not in receipt of a qualifying benefit	16.5%	24.7%	19.1%	21.8%	38.0%	29.7%
Not in receipt of a qualifying benefit for 26 weeks	14.7%	23.1%	56.7%	34.0%	18.2%	25.7%
Other	68.8%	50.8%	21.1%	43.1%	43.2%	43.6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### NOTES:

1. The qualifying benefits are: Income Support; income-related Employment and Support Allowance income-based Jobseeker's Allowance; Pension Credit.
2. Figures and percentages may not sum due to rounding.

# Loan Recovery

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

		Feb 2018	May 2018	Aug 2018	Nov 2018
Average deduction	IS	£19.52	£19.16	£19.56	£20.31
	JSA	£11.70	£11.63	£11.58	£11.93
	PC	£18.83	£18.46	£18.91	£18.79
Number of deductions	IS	18,340	16,800	16,580	15,220
	JSA	9,275	8,455	7,395	6,455
	PC	4,160	3,880	3,820	3,720

### NOTES:

1. Data from Income Support, Jobseeker's Allowance and Pension Credit Quarterly Statistical Enquiries.
2. UC recovery data for Budgeting Loans is as yet untested and has therefore not been included in 18/19 report.

## Repayment Source 2018/19

	Budgeting Loans	
	Amount £	% of Total Amount
<b>Income Support &amp; Pension Credit</b>	20,722,037	36.0%
<b>Jobseeker's Allowance</b>	6,232,121	10.9%
<b>Employment and Support Allowance</b>	25,854,877	45.0%
<b>Incapacity Benefit</b>	0	0.0%
<b>Other benefits</b>	1,937,491	3.4%
<b>Cash</b>	2,689,300	4.7%

### NOTES:

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

## Summary of Budgeting Loan Review Applications

First Reviews	BL
Number of applications for first review	108
Number of decisions revised at first review	43
Percentage	39.8%

### 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.

## 2018/19 Appeals

### Summary of Social Fund Appeals

Type of Payment	Number of appeals	Number heard and decided at hearing	Number decided in appellant's favour
Funeral Payments	18	12	2
Sure Start Maternity Grants	9	4	0

**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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