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Annual Report on the Social Fund 2019/20

June 2021



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Department for Communities

Annual Report on the Social Fund 2019/20

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

22 July 2021

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Foreword



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

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

In 2019/20, the Social Fund continued to help people on low incomes through both the regulated and discretionary schemes. Over 98,000 Budgeting Loans were awarded totalling £49.788 million.

A total of 2,172 maternity grants were awarded, totalling £1.161 million to families to help meet the costs associated with a new baby. Awards amounting to £2.4 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 214,224 pensioner households.

A handwritten signature in black ink that reads "Deirdre Hargey".

Deirdre Hargey MLA
Minister for Communities

1. Introduction

- 1.1 This is the thirty second 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 There are two categories of Social Fund: the regulated scheme made up of Maternity Grants, Funeral Expenses Payments, Cold Weather Payments and Winter Fuel Payments; and the discretionary scheme comprised of Budgeting Loans that are intended to respond flexibly to meet exceptional and intermittent needs.

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. 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.

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 2019/20 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. It is also possible to qualify if in receipt of a Support for Mortgage Interest Loan.

2.2 Sure Start Maternity Grants are also available for the additional children of subsequent multiple births. This recognises that help is needed with the costs for all but one of the additional children of a subsequent multiple birth. An example, would be where the birth of twins follows a previous single birth, a SSMG can now be paid to help with costs of the additional child. In some instances other children can be disregarded if the claimant has a formal or informal caring arrangement for them before the birth of their first child.

2.3 In 2019/20, 2,172 awards were made worth £1.161 million. Sure Start Maternity Grant statistics are in Annexes 1, 2 and 7.

Funeral Expenses Payments

2.4 The Funeral Expenses Payment (FEP) 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 2019/20 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. Any payments made by the Department for Communities towards funeral costs are recoverable from the estate of the deceased if there are sufficient funds.

2.5 In 2019/20, 2,134 awards were made worth £2.4 million.

2.6 The Bereavement Service has continued to provide 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 Expenses Payment statistics are in Annexes 1, 2 and 7.

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 2019/20, the qualifying conditions for eligible recipients of a Cold Weather Payment were:

- Pension Credit – Entitled to Cold Weather Payment (CWP);
- Income Support – 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; and

- Universal Credit – Entitled to a CWP under Universal Credit if they are: not employed or self-employed; they, or their partner, receive a limited capability for work element (with or without a work-related activity element); they receive the disabled child element within their assessment; or have a child under 5 years. 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.

2.10 In 2019/20, there were no Cold Weather Payments 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 290,265 people in 214,224 households benefited from a Winter Fuel Payment in 2019/2020. The total spent in 2019/20 on Winter Fuel Payments was £51.1 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 2019/20 payments was the week beginning 16 September 2019.

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 2019 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.

2.20 The Department for Work and Pensions administers and manages Winter Fuel Payments in relation to eligible customers in Northern Ireland.

3. The Discretionary Social Fund

Budgeting Loans

- 3.1 Budgeting Loans are interest free loans which are repayable from benefit awards. 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 for. The qualifying benefits are: Income Support; income-related Employment and Support Allowance; income-based Jobseeker's Allowance; and Pension Credit.
- 3.2 In 2019/20, a total of 98,551 awards were made, worth £49.788 million.
- 3.3 There is a single Budgeting Loans allocation, which is controlled and managed centrally 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. A Budgeting Advance is not an award from the Social Fund).
- 3.5 Claimants that migrate from Universal Credit to Pension Credit will once again qualify for a Budgeting Loan.
- 3.6 Budgeting Loan statistics are in Annexes 1, 3, 4, 5 and 6.

4. General Administration

4.1 In 2019/20, 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 Expenses Payments are delivered by the Department for Communities' Bereavement Service.

4.2 The normal method of applying for Funeral Expenses Payments, Sure Start Maternity Grants and Budgeting Loans is in writing (the appropriate application forms can be downloaded or requested by post). The Bereavement Service, however, takes Funeral Expenses Payment claims over the telephone when a potential Funeral Expenses Payment 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. Applicants who remain dissatisfied are able to appeal the decision.

4.4 A reviewing officer within the Department for Communities carries out the first review and the outcome is notified to the applicant. In 2019/20, 424 applications (does not include Funeral payments) 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 Clearance times for the operational delivery of the Social Fund are monitored against a comprehensive set of clearance standards. The table below shows clearance against: The Average Actual Clearance Times (AACT) standard (column 2).

Average Actual Clearance Times (AACT) (working days)	AACT Standard	Achieved in 2019/20
Budgeting Loans	14	4
Local Review of above loans	5	4
Funeral Payments	14	14
Sure Start Maternity Grants	5	3

Data sourced from the Social Fund Computer System (SFCS). The AACT achieved figures have been rounded.

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 Cash-limited budgets are allocated for the Budgeting Loans, Funeral Expenses and Sure Start Maternity Grants.

Recoveries

- 5.3 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.

- 5.4 In 2019/20 the Debt Management Unit registered 39,497 new Social Fund loan referrals.

2019/20 Discretionary Social Fund budget

- 5.5 £59.438 million (£57.784 million from Budgeting Loans, £1.654 million from Crisis Loans) was recovered through the repayment of loans.

2019/20 Regulated Social Fund budget

- 5.6 £175,000 of Funeral Expenses Payments was recovered from estates.
- 5.7 Details of recoveries are given in Annex 1 and 6.

6. Summary of Financial Performance

- 6.1 In 2019/20 the Social Fund provided payments of just over £50.949 million (£49.788m BLs & £1.161m SSMGs), with an additional £51.1 million of Winter Fuel Payments paid to 214,224 households that include someone who had reached state pension age for women.
- 6.2 Gross expenditure on Budgeting Loans was £49.788 million.
- 6.3 Overall during 2019/20, the Discretionary Social Fund provided help in the form of 98,551 awards. (See Annex 1)

The 2019/2020 Discretionary Social Fund budget

- 6.4 In April 2019, a single national Budgeting Loans budget of £54.2m 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 £57.784m against a forecast recovery of £58.982m at the beginning of 2019/20. Recoveries provided 100% of the funds needed to meet gross expenditure.

7. COVID-19 Impacts

7.1 The global pandemic, COVID19, has had no material impact on the receipts and payments, shown in this Annual Report for 2019/20. There are however, measures that will have impacts for

2020/21 such as when at the beginning of the Covid-19 pandemic the Department paused debt recovery to provide relief to claimants.

8. Index to Annexes

General

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The Regulated Social Fund

2. Sure Start Maternity Grants and Funeral Expenses Payments: Awards by claimant group and Awards by qualifying benefit or tax credit

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Annex 1:

Northern Ireland Social Fund Summary Statistics

	Regulated Social Fund			Discretionary Social Fund	
	SSMG	CWP	FEP	BL	CL
Applications received	4,159	N/A	2,999	109,489	N/A
Initial decisions	4,152	N/A	2,908	104,754	N/A
Awards	2,172	0	2,134	98,551	N/A
Awards as % of initial decisions	52.31%	N/A	73.38%	94.08%	N/A
Initial refusals	1,980	N/A	761	6,203	N/A
Gross expenditure £m	£1.162	0	£2.471	£49.788	N/A
Recoveries £m	N/A	N/A	£175,000	£57.784	£1.654
Net expenditure £m	£1.161	N/A	£2.4	-£7.996	
Average award £	£534.53	N/A	£1124.65	£505.20	N/A

Key:

SSMG = Sure Start Maternity Grant, CWP = Cold Weather Payment, FEP = Funeral Expenses Payment, BL = Budgeting Loan, CL – Crisis Loan, N/A = Not Applicable

Notes:

- SSMG, FEP and BL figures for Gross Expenditure, Recoveries and Net Expenditure are taken from the Social Fund Account 2019/20. Remaining SSMG, FEP and BL data sourced from the Policy, Budget and Management Information System.
- CWP figures for Gross Expenditure and Net Expenditure are taken from the Social Fund Account 2019/20.
- The figure for recoveries for Crisis Loans is taken from monthly Central Payment System (CPS) accounts.
- Average SSMG award reflects multiple births.
- There is no requirement to claim Cold Weather Payments.
- 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.
- 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).
- 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.
- 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.
- Cold Weather Payment figures are taken from Departmental records.
- Figures and percentages may not sum due to rounding.

Annex 2:

Sure Start Maternity Grants and Funeral Payments Awards by Claimant Group

Claimant Group	Sure Start Maternity Grants		Funeral Payments	
	Awards	% of Total Awards	Awards	% of Total Awards
Pensioners	0	0.00%	565	26.48%
Unemployed	662	17.64%	104	4.87%
Disabled	87	2.32%	109	5.11%
Lone Parents	2,327	62.00%	21	0.98%
Employed	68	1.81%	2	0.09%
Others	609	16.23%	1,333	62.47%
Total	3,753	100.00%	2,134	100.00%

Sure Start Maternity Grants and Funeral Expenses Payment - 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	3,705	98.72%	1,475	69.12%
Child Tax Credit (at a rate higher than the family element)/Working Tax Credit (which includes a disability or a severe disability element)	48	1.28%	246	11.53%
Housing Benefit	0	0.00%	413	19.35%
Total	3,753	100.00%	2,134	100.00%

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.

Annex 3:

Budgeting Loans - Gross Expenditure by Applicant Group

Applicant Group	Budgeting Loans	
	Amount £	% of Total Amount
Pensioners	£3,592,124	7.23%
Unemployed	£4,284,209	8.63%
Disabled	£13,741,621	27.67%
Lone Parents	£11,500,281	23.16%
Others	£16,544,248	33.31%
Total	£49,662,483	100.00%

Notes:

1. Total Expenditure figures in this table may differ from Annex 1, as data is obtained from the Department's Social Fund Policy Budget and Management Information System (PBMIS) rather than the Social Fund Account 2019/20.
2. Applicant group definitions are in Annex 8.
3. Expenditure include awards made on review, reconsideration or appeal.
4. Figures and percentages may not sum due to rounding.

Annex 4:

Budgeting Loans - Reasons for Initial Refusal by Applicant Group

Counts

Type	Pensioners	Disabled	Lone Parents	Unemployed	Others	Total
Outstanding Social Fund debt	0	13	20	5	13	51
Not in receipt of a qualifying benefit	32	327	79	263	1,496	2,197
Not in receipt of a qualifying benefit for 26 weeks	32	94	64	88	123	401
Other	77	462	115	313	736	1,703
Total	141	896	278	669	2,368	4,352

Percentages

Type	Pensioners	Disabled	Lone Parents	Unemployed	Others	Total
Outstanding Social Fund debt	0.00%	1.45%	7.19%	0.75%	0.55%	1.17%
Not in receipt of a qualifying benefit	22.70%	36.50%	28.42%	39.31%	63.18%	50.48%
Not in receipt of a qualifying benefit for 26 weeks	22.70%	10.49%	23.02%	13.15%	5.19%	9.21%
Other	54.61%	51.56%	41.37%	46.79%	31.08%	39.13%
Total	100%	100%	100%	100%	100%	100%

Notes:

1. Claimant group definitions are given in Annex 8.
2. The qualifying benefits are: Income Support; income-related Employment and Support Allowance income-based Jobseeker's Allowance; Pension Credit.
3. Figures and percentages may not sum due to rounding.

Annex 5:

Budgeting Loans Recovery - Average Weekly Repayment Deductions from Income Support, Jobseeker's Allowance and Pension Credit

		Feb 2019	May 2019	Aug 2019	Nov 2019
Average deduction	IS	£20.66	£20.41	£20.46	£21.21
	JSA	£12.05	£11.95	£12.33	£11.87
	PC	£19.61	£19.23	£20.07	£19.88
Number of deductions	IS	15,760	14,040	13,740	12,620
	JSA	5,920	5,075	4,640	3,995
	PC	3,780	3,520	3,380	3,260

Notes:

1. Data from Income Support, Jobseeker's Allowance and Pension Credit Quarterly Statistical Enquiries.
2. UC recovery data for Budgeting Loans is not available for inclusion in the 2019/20 report.

Repayment Source 2019/20

Budgeting Loans		
	Amount £	% of Total Amount
Income Support & Pension Credit	20,490,206	35.46%
Jobseeker's Allowance	5,876,633	10.17%
Employment and Support Allowance	25,656,096	44.40%
Incapacity Benefit	0.00	0.00%
Others	2,039,775	3.53%
Cash	3,721,290	6.44%
Total	57,784,000	100.00%

Notes:

1. Social Fund loans are recoverable from most Social Security benefits.
2. Figures and percentages may not sum due to rounding.
3. UC recovery data for Budgeting Loans is not available for inclusion in the 2019/20 report.

Annex 6:

Summary of Budgeting Loan Review Applications

First Reviews	Budgeting Loans
Number of applications for first review	425 YTD (290 Aug-Mar)
Number of decisions revised at first review	181 (Aug-Mar)
Percentage of applications revised at first review	62.4% (Aug-Mar)

Notes:

1. The number of reviewing officer decisions reviewed excludes applications for Social Fund Commissioner 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 7:

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	7	6	0
Sure Start Maternity Grants	6	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. Number of appeals heard and decided at hearing' may not necessarily have been received in the same financial period.

Annex 8:

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 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



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