

Annual Report on the Social Fund 2004/2005



Department for
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Development**

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Laid before the Houses of Parliament by the Secretary of State for Northern Ireland in accordance with Paragraph 12(2) and (4) of the Schedule to the Northern Ireland Act 2000, and Paragraph 34 of the Schedule to the Northern Ireland Act 2000 (Prescribed Documents) Order 2004

29 November 2005

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CONTENTS

	Paragraph
	Preface by the Minister of State at the Northern Ireland Office
SECTION 1	Introduction 1
SECTION 2	The Regulated Social Fund 2
	Sure Start Maternity Grants 2.1
	Funeral Payments 2.2
	Cold Weather Payments 2.3
	Winter Fuel Payments 2.4
SECTION 3	The Discretionary Social Fund 3
	General 3.1
	Budgeting Loans 3.2
	Community Care Grants 3.3
	Crisis Loans 3.4
	Reviews 3.5
SECTION 4	General Issues 4
	Efficiency Strategy 4.1
	Clearance and Accuracy Standards 4.2
	Pensioners and the Social Fund 4.3
	Quality and accuracy of decision-making 4.4
	Improvements to IT 4.5

	Instructions and Guidance Project	4.6
	Leaflets/Publicity for external customers	4.7
SECTION 5	Financial Issues	5
	Background	5.1
	The 2004/2005 discretionary Social Fund budgets	5.2
	Re-allocation of the loans budget	5.3
	Allocations to districts	5.4
	Payments from the contingency reserve	5.5
	Recoveries	5.6
SECTION 6	Summary of Financial Performance	6
	General	6.1
	The discretionary Social Fund Budget for 2005/2006 and its allocations	6.2
SECTION 7	Annexes	

PREFACE

I am pleased to present my report on the Social Fund for 2004/05.

The Social Fund continues to play an important role in helping people on low incomes to cope with expenses they cannot meet from regular income. In 2004/05, the Fund has again helped thousands of people with a huge variety of needs. For example, around 9,000 families were awarded a £500 grant to help with the costs of a new baby. And more than 230,500 pensioner households received a Winter Fuel Payment of at least £200, with those households containing someone aged 80 or over receiving at least £300. In respect of other parts of the Social Fund scheme, more than 208,000 awards were made.

The Government has demonstrated its commitment to the discretionary side of the Social Fund scheme through increased funding. In 2004/05, £0.94 million was added to the Community Care Grants budget as the second instalment of a £8.2 million cash boost to the Fund over the three years from April 2003. And for 2005/06, a further £0.68 million has been added to the grants budget, meaning that it will have increased by 24% in three years. Across the three years, a share of the £0.94 million has also been invested in the net loans budget. This has ensured its continued growth for the benefit of future discretionary fund customers. Because of the extra funding, we have been able to meet more demand from qualifying grant and loan applicants than ever before.

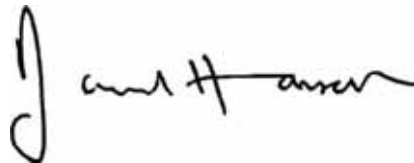
I am pleased to announce that the next stage in the reform of the Social Fund will come into effect in April 2006, when, by abolishing the "double debt" rule, we will make more help available to those who already have Budgeting Loan debt. We will also greatly simplify the rules for determining the size of the maximum Budgeting Loan amount that can be offered to eligible applicants. There will be only three rates, for single people, couples without children, and families with children. We will reduce the highest loan repayment rates and give applicants longer to repay. And we will increase the overall limit on loan amounts that any applicant can borrow from the Social Fund.

We are committed to tackling financial exclusion. These changes will make it easier for people to understand the scheme and assess how much they can borrow. It will make the scheme more generous and flexible, reducing the need for people to have recourse to commercial credit often at extortionate rates; and it will reduce the risk of hardship caused by high repayments. Further reform of the Social Fund will be considered in the context of greater financial inclusion.

We are also working to improve the administration of the Social Fund. During the coming year a study is to be carried out to examine the feasibility of centralising the delivery of Social Fund. We are working to ensure that

the consequent improvement in efficiency can be achieved without loss of availability of face-to-face contact with staff in the local jobs and benefits office and social security office for those who need it. We are also working to improve electronic accessibility of Social Fund guidance for staff to improve accuracy of decision making, and to ensure that help from the Social Fund reaches the people who need it most.

The Social Fund is a crucial programme in tackling poverty. The government's commitment to ending pensioner poverty, to ending child poverty, and to supporting families will mean the Social Fund will continue to play a key role in the years ahead.

A handwritten signature in black ink, appearing to read 'David Hanson', is centered on the page. The signature is written in a cursive style with a large initial 'D'.

DAVID HANSON

Minister of State at the Northern Ireland Office

1 INTRODUCTION

- 1.1 This is the seventeenth annual report on the operation of the Social Fund as required by section 146(5) and (6) of the Social Security Administration (Northern Ireland) Act 1992.
- 1.2 The Social Fund scheme complements mainstream social security provision in two forms: a regulated scheme made up of Maternity, Funeral, Cold Weather and Winter Fuel Payments; and a discretionary scheme comprising Community Care Grants and repayable Budgeting and Crisis Loans.
- 1.3 The figures in this report are taken from the Department's Policy, Budget and Management Information System and from scans of the Social Fund Computer System. Receipts and payments are shown in detail in the annual account of the Social Fund. The annual account is produced using the latest available data on encashed payments and after reconciliation of loan balances between accounting records. This information only becomes available after this annual report has been published. Once prepared, the annual account is subject to scrutiny by the Comptroller and Auditor General who lays the account, and his report on it, before Parliament.

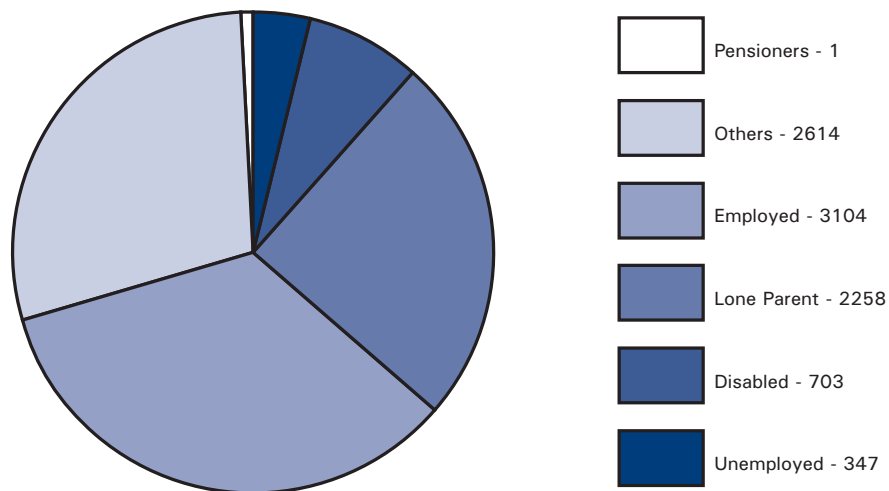
2 THE REGULATED SOCIAL FUND

2.1 Sure Start Maternity Grants

2.1.1 The Sure Start Maternity Grant is a payment of £500 to provide help for families with the costs associated with the expenses of each baby expected, born, adopted, or who is the subject of a parental order in respect of a surrogate birth.

2.1.2 The Grant is available to recipients, and partners of recipients, of Income Support, income-based Jobseeker's Allowance, State 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). Child Tax Credit and Working Tax Credit replaced the previous qualifying tax credits (Working Families' Tax Credit and Disabled Person's Tax Credit) from April 2003. As reported in last year's report, the legislation was changed to ensure that recipients, and partners of recipients, of Child Tax Credit and Working Tax Credit qualify for Sure Start Maternity Grants. This maintains the policy intention that the grant is as widely available as possible amongst people with lower incomes. The chart below shows the number of awards by client group.

Sure Start Maternity Grants: Number of Awards by Applicant Group



2.1.3 Sure Start Maternity Grant statistics are in Annexes 1 and 2.

2.2 Funeral Payments

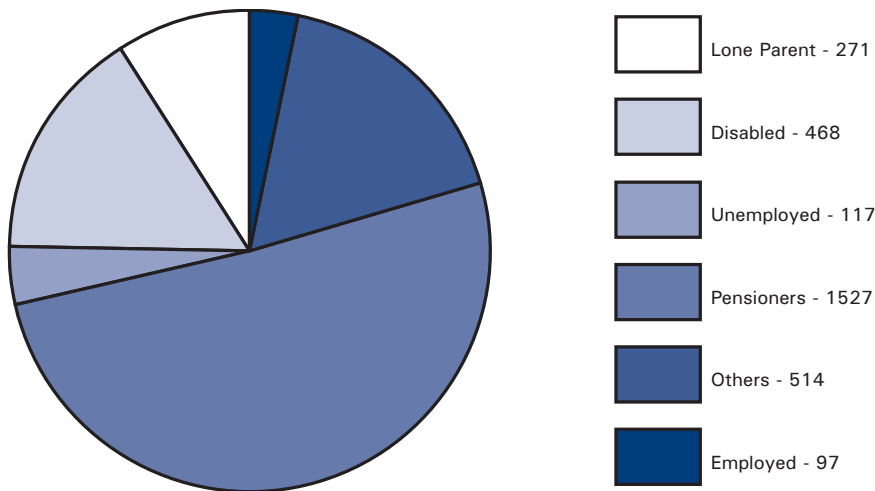
2.2.1 The Funeral Payment scheme has continued to provide for a simple, respectful, low-cost funeral to recipients, and partners of recipients, of income-related benefits and tax credits (see list at paragraph 2.2.2 below). As with the Sure Start Maternity Grant, we made changes to the legislation from April 2003 to ensure that recipients and partners of recipients of Child Tax Credit (at a rate higher than the

family element), or Working Tax Credit (which includes a disability or severe disability element) qualify for Funeral Payments. This maintains the policy intention that the grant is as widely available as possible amongst people with lower incomes.

2.2.2 The full list of qualifying benefits and tax credits is: Income Support, income-based Jobseeker's Allowance, State Pension Credit, Child Tax Credit, Working Tax Credit and Housing Benefit.

2.2.3 We have made two changes to the legislation from October 2004. The first change was to exclude persons ordinarily resident outside the United Kingdom from the immediate family member test, and the nature and extent of contact test. This means that applicants' eligibility for a Funeral Payment is decided by considering their position relative only to those immediate family members and close relatives within the United Kingdom. The second change was a minor change to restore the original policy intent so as to allow for the payment of necessary burial fees levied by a private gravedigger. The chart below shows the number of Funeral Payment awards by client group.

Funeral Payments: Number of Awards by Applicant Group



2.2.4 Funeral Payment statistics are in Annexes 1 and 2.

2.3 Cold Weather Payments

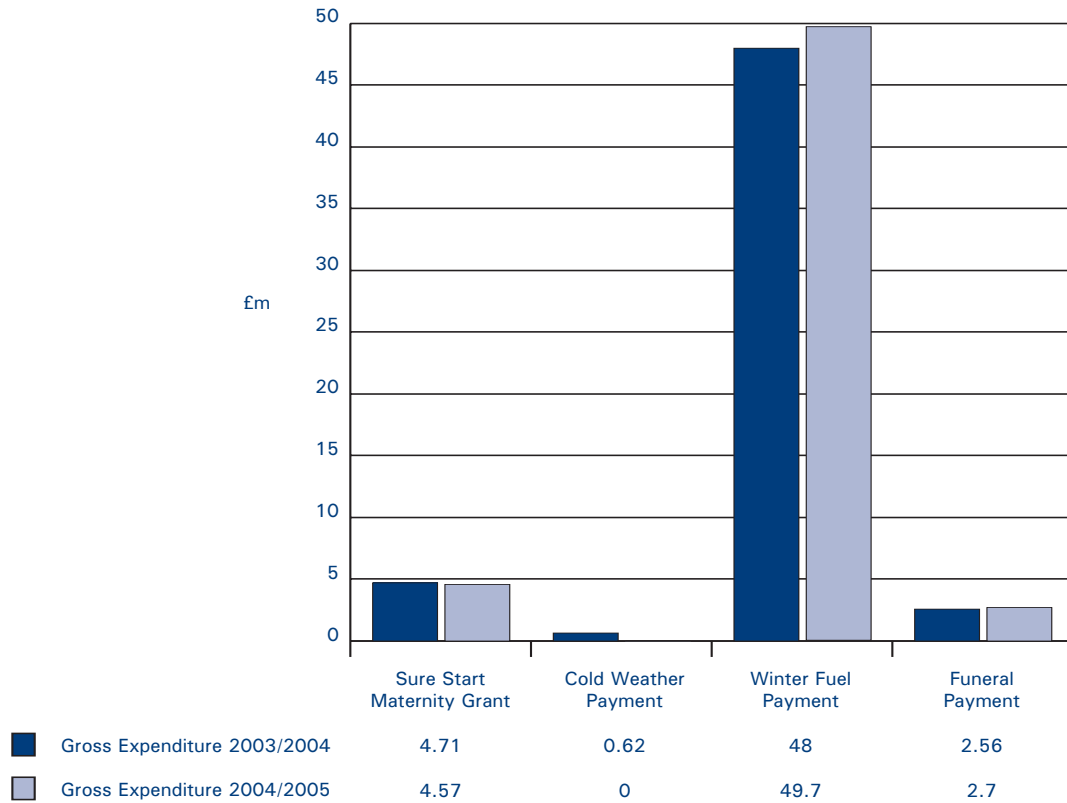
2.3.1 The annual review of the Cold Weather Payments scheme took place in the autumn of 2004. There are five weather stations covering Northern Ireland, and, in collaboration with the Met Office, the review included an assessment of the continuing availability of the weather stations used to provide temperature data for the scheme. An evaluation was also carried out into the suitability of each weather station to provide accurate data for each postcode region. It was concluded that no changes were required to the scheme.

- 2.3.2 A review of postcode boundaries was also undertaken. However, no changes to the postcode to weather station alignment were considered necessary.
- 2.3.3 Cold Weather Payments are available to people on State Pension Credit, and vulnerable groups in receipt of Income Support or income-based Jobseeker's Allowance. To maintain the policy intent we have made changes to legislation from November 2004 to ensure that those in receipt of Income Support or income-based Jobseeker's Allowance who have a disability element for a child as part of their Child Tax Credit, may qualify for Cold Weather Payments.
- 2.3.4 There were no Cold Weather Payments made during the winter season 2004/05 as temperatures did not fall below the criteria set to trigger a payment. The criteria are that the average daily temperature is, or forecast to be, 0° Celsius or below over seven consecutive days.

2.4 Winter Fuel Payments

- 2.4.1 Winter Fuel Payments are tax free and do not affect entitlement to other social security benefits. During the winter season 2004/05 230,553 households in Northern Ireland benefited from a Winter Fuel Payment amounting to £200 per household with someone aged 60 or over, and £300 to households with someone aged 80 or over. This amounted to a spend of £49.7 million.
- 2.4.2 Most people who are aged 60 or over and normally living in Northern Ireland are eligible for a Winter Fuel Payment, though there are some exceptions. The qualifying week for winter 2004/05 payments was the week beginning 20 September 2004. The majority of payments were made automatically. However, newly eligible people needed to make a claim if they were not receiving a social security benefit during the qualifying week.
- 2.4.3 All automatic payments where entitlement was established, and payments in respect of successful claims determined up to 12 November, were issued before Christmas.
- 2.4.4 The chart (following page) shows the total regulated fund expenditure for each of the payments discussed above during 2004/05 as compared with those during 2003/04.

Regulated Fund Gross Expenditure 2003/2004 v 2004/2005



3 THE DISCRETIONARY SOCIAL FUND

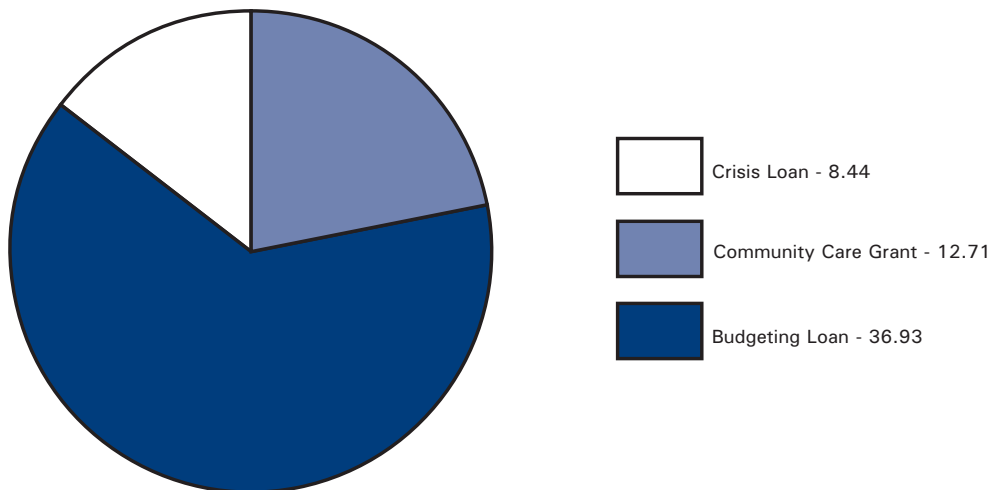
3.1 General

3.1.1 Over the three years from 2003/04 to 2005/06, an extra £8.2 million is to be added to the discretionary Social Fund budget. This report covers the second year, for which the increased funding was £2.8 million (comprising the £1.88 million added in the first year 2003/04, plus a further £0.94 million for 2004/05).

3.1.2 All the extra £0.94 million available for 2004/05 was added to the regional Community Care Grants budget. All districts benefited from an increase in grants funding, with proportionately more given to those districts that in the past have met a lesser proportion of their demand.

3.1.3 There was no addition to net loans funding in 2004/05; however the regional gross loans budget continued to grow, having benefited from a significant extra investment of £0.94 million the previous year. Growth in the gross loans budget is essential to maintain award levels in the event of increased demand. The chart on the following page shows the Discretionary Social Fund gross expenditure over the last year.

Discretionary Social Fund Gross Expenditure in £m 2004/2005



3.2 Budgeting Loans

3.2.1 During 2004/05, people with similar personal circumstances applying for Budgeting Loans were able to borrow the same amount, irrespective of where they lived. All local Social Fund decision makers are formally advised to apply the same regional baseline Budgeting Loan award amount when determining applications. Consistency has also been achieved by careful budget planning and management.

3.2.2 The gross loans budget of £45.5 million allocated on 1st April 2004 remained constant during the lifecycle of the 2004/05 financial year. The average initial Budgeting Loan award increased from £399 in 2003/04 to £420 in 2004/05.

3.2.3 The Government published in the Child Poverty Review its intention to further simplify and improve the Budgeting Loan scheme. The Chancellor announced in his Pre-Budget Report 2004 that the changes would take place in 2006. During 2004/05 policy and business development work started on these improvements, which are to:

- abolish the "double debt rule" (whereby someone's existing Budgeting Loan debt is taken into account twice when they apply for subsequent loans) and replace it with a single debt rule.
- reduce the highest of the loan repayment rates of 15% and 25% to 12% and 20% respectively and increase the period of time in which a Budgeting Loan can be repaid (this applies equally to Crisis Loans).

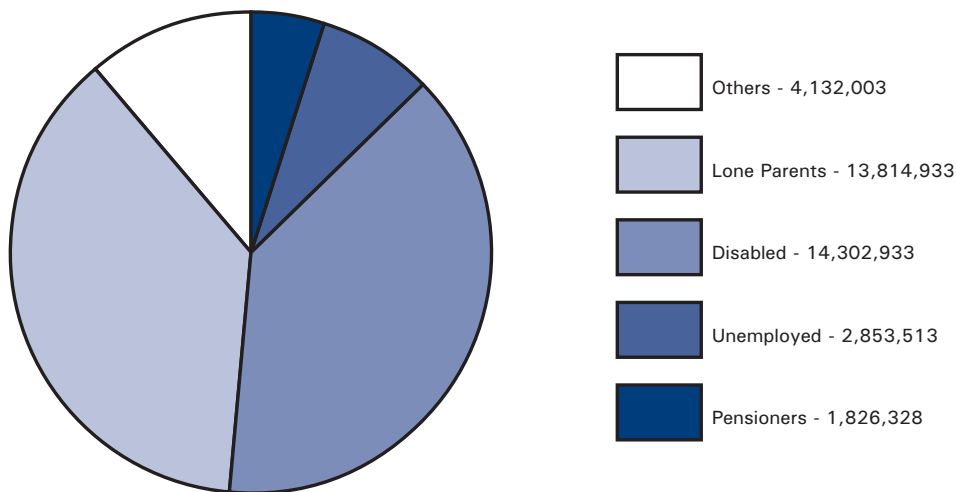
3.2.4 We are also planning to introduce further changes to the loans scheme from April 2006, to give customers better access to affordable credit. The most significant change is that there will be only three rates of maximum Budgeting Loan amount that can be offered to eligible

applicants. There will be a rate for single people, one for couples without children and one for families (including lone parents) with children. The rates will vary according to demand on the loans budget. Also planned is an increase in the overall debt limit (for Budgeting Loans and Crisis Loans combined) from £1,000 to £1,500. And the minimum Budgeting Loan that can be awarded will increase from £30 to £100.

3.2.5 This forms part of the ongoing consideration of Social Fund reform. The changes will make the Budgeting Loan scheme easier for staff to explain, with potential applicants understanding better when they can access help and what they might receive. Also, it will enable applicants to return to the scheme for further loans more quickly than would have been possible in the past. The easing of repayment terms will reduce the risk that people will be deterred from applying for loans by unaffordable repayment rates.

3.2.6 An amendment to the Department's directions and guidance was issued in April 2004. Directions 50 and 51 were amended to correct an anomaly whereby family size may not have been considered when taking account of an applicant's personal circumstances. The chart below shows the number of awards by client group.

Budgeting Loans: Expenditure in £ by Applicant Group



3.2.7 Full Budgeting Loan statistics are at Annexes 1, 3, 6, 7, 8, 11 and 12.

3.3 Community Care Grants

3.3.1 Our aim was to improve the effectiveness of the Community Care Grant scheme both by increasing the amount of money available in the budget, and by taking further steps to improve the targeting of that money.

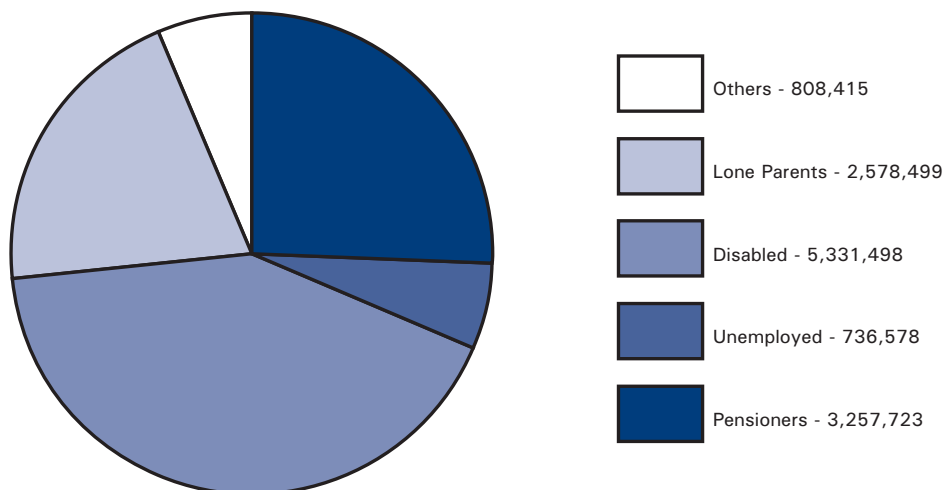
3.3.2 The regional grants budget was increased to £12.64 million in

2004/05, making it £0.94 million higher than in 2003/04 and £1.88 million higher than in 2002/03. The increase was distributed so that every district received a minimum 2% increase over their April 2003 grants budget. This allowed districts that in the past had been able to meet a lower proportion of local demand than the regional average to receive a proportionately higher increase in their 2004/05 budget. Districts which had met higher proportions of demand than the regional average still received at least a minimum 2% increase. (See paragraph 6.2.3 for the 2005/06 grants allocation.)

3.3.3 Our partners in the Department for Work and Pensions have been considering a revision to the application form for a Community Care Grant, so that more relevant information can be gathered at the outset of the application to allow the decision maker to reach a better informed decision. The quality of evidence is directly related to the quality of decision-making. Once the revised form is approved and introduced in GB, consideration will be given to a corresponding revision of the Northern Ireland version of the form, with the ultimate objective of improving the quality of decision-making for the benefit of grant applicants in Northern Ireland.

3.3.4 Two amendments to the Department's directions and guidance were issued in April 2004 and in October 2004. In the main they contained only minor presentational changes. For instance the Community Care Grant guidance about minor repairs to the home was expanded upon. The chart below shows Community Care Grant expenditure by client group.

Community Care Grants: Expenditure in £ by Applicant Group



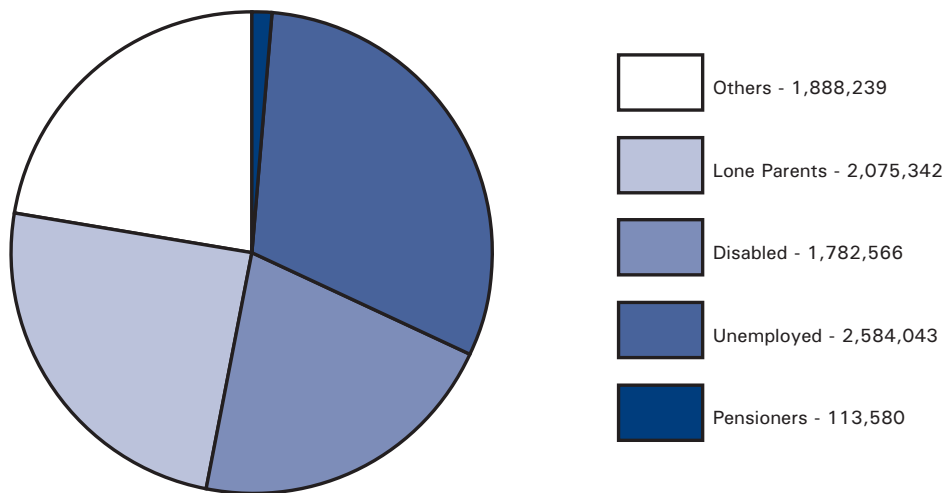
3.3.5 Full Community Care Grant statistics are provided at Annexes 1, 3, 4, 5 and 12.

3.4 Crisis Loans

3.4.1 Two amendments to the Department's directions and guidance were issued in April 2004 and in October 2004. In the main they contained only minor presentational changes. For Crisis Loans the most significant were about available resources and sanctioned Lone Parents. Direction 17 and related guidance were amended to reflect the policy that lone parents with benefit sanctions should not have their access to Crisis Loans restricted. The guidance was amended to advise decision makers to disregard payments from the Skipton Fund (ex-gratia Hepatitis C payments) and to have regard to payments of Job Grants, when considering a Crisis Loan.

3.4.2 We continue to monitor Crisis Loan expenditure to ensure that alignment Crisis Loans are not wrongly awarded (either to compensate for administrative delays in the processing of Income Support or Jobseeker's Allowance claims, or in situations where interim payments on account of these benefits are more appropriate). The amount spent on alignment payments has decreased slightly. The chart below shows Crisis Loans expenditure by client group.

Crisis Loans: Expenditure in £ by Applicant Group



3.4.3 Full Crisis Loan statistics are provided at Annexes 1, 3, 9, 10, 11 and 12

3.5 Reviews

- 3.5.1 An applicant to the discretionary fund who is dissatisfied with the decision on their case has the right to have the decision reviewed. The principles of the review are straightforward. Consideration is given to whether the law and directions have been followed, whether guidance has been taken into account, and whether the case has been handled fairly and reasonably.
- 3.5.2 A reviewing officer within the Social Security Agency carries out the initial review at a local level and the outcome is notified to the applicant. Applicants who remain dissatisfied with the result of the local review can ask for a further review by a Social Fund Inspector, who is fully independent of the Department for Social Development. Social Fund Inspectors are appointed by, and are accountable to, the Social Fund Commissioner. In 2004/05, Social Fund Inspectors reviewed over 900 Reviewing Officers' decisions (around 10% of all review applications).
- 3.5.3 The time taken to clear the local review is now a formal clearance standard within the Social Security Agency. The standard, set for 2004/05 was 15 working days, on average, to clear a local review. In 2004/05, the regional standard achieved was 18 working days on average. (See paragraph 4.4.2)
- 3.5.4 The Social Fund Commissioner has reported separately on the standard of reviews carried out by Social Fund Inspectors. His report is published separately.
- 3.5.5 A summary of Social Fund review applications is set out in Annex 12.

4 GENERAL ISSUES

4.1 Efficiency Strategy

- 4.1.1 The Social Security Agency's Efficiency Strategy identifies Social Fund as a potential area for re-structuring, in order to achieve efficiency savings. At present, the number of small units means that there is less flexibility to manage peaks and troughs of work, and it is more difficult to provide specialist knowledge to deal with complex cases. The Agency therefore plans to examine during 2005/06 the feasibility of centralising delivery of Social Fund, and a project has been established to take this work forward.

4.2 Clearance and Accuracy Standards

- 4.2.1 In 2004/05, a comprehensive set of Social Fund clearance and

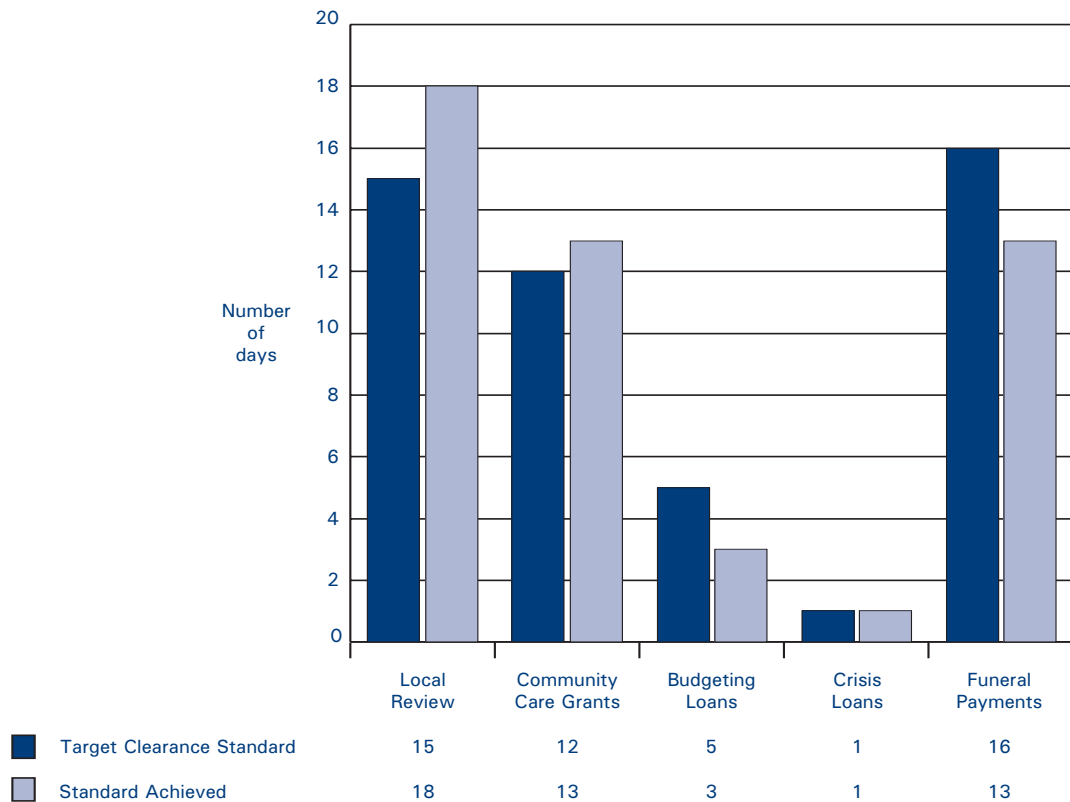
accuracy standards was introduced against which district and regional performance can be monitored. This includes the review standard (see paragraph 3.5.3 above), and the set comprises:

Social Fund accuracy		95%
<u>Average Actual Clearance Times</u>		
Local Review		15 days
Community Care Grants		12 days
Budgeting Loans		5 days
Crisis Loans		1 day
Funeral payments		16 days

4.2.2 The achievement against the standard in 2004/05 was:

<u>Average Actual Clearance Times (days)</u>	Standard	Achieved
Local Review	15	18
Community Care Grants	12	13
Budgeting Loans	5	3
Crisis Loans	1	1
Funeral Payments	16	13
Accuracy		
Social Fund Accuracy	95%	94%

Clearance Standard Target in Days v Days actually achieved



4.2.3 In 2005/06 the average actual clearance time for local reviews is to be more challenging, i.e. 10 days on average to clear instead of 15. An average actual clearance time target of 5 days for Sure Start Maternity Grants is to be introduced.

4.2.4 In the course of their review casework the Social Fund Inspectors are able to identify issues of concern in the overall operation of the discretionary Social Fund. This is another valuable source of feedback to inform performance improvement plans, not only with regard to standards of decision-making, but in more general operational performance. Departmental officials continue to work closely with the Social Fund Inspectors to resolve issues, and to improve Social Fund administration.

4.3 Pensioners and the Social Fund

4.3.1 Officials in Jobs and Benefits Offices, Social Security Offices and the Pension Service continue to work together to clarify the arrangements for pensioners' access to the Social Fund and to ensure full and easy access when pensioners contact either organisation. Interface arrangements between both organisations have been developed and agreed. The Pension Service continues to ensure that its staff are equipped to provide customers with good quality, comprehensive Social Fund information.

4.3.2 During 2004/05 the Pension Service has continued to provide a wide range of information to pensioners on the eligibility for all benefits including Social Fund. The 46 Pension Advisers who work as part of the Pension Service Outreach Team, are based in the 35 local Jobs and Benefits/Social Security Offices. Together with front line staff in these locations, they continue to ensure that pensioners receive the personalised service that they require. Pension Advisers also continue to work with colleagues in Local Statutory Authorities and the Voluntary and Community Sectors in ensuring that all entitlements and complementary services can be accessed. Staff knowledge about Social Fund both in the Pension Service and among the front line staff in Jobs and Benefit/Social Security Offices will continue to be improved by their attendance at a series of workshops during 2005/06. These have been developed in conjunction with the Independent Review Service. Based on the experience gained, a further programme for staff in the Pension Service may be developed.

4.4 Quality and accuracy of decision-making

4.4.1 The standards of Social Fund decision making are published in the Social Security Agency's Annual Report. The report for 2004/05 is due to be published in October 2005.

4.4.2 Standards of decision-making on the discretionary Social Fund continue to be monitored by a Standards Assurance Unit checking team which carries out local visits. The results for 2004/05 have been issued to the Standards Committee for consideration. In 2004/05 the team visited six districts and monitored 720 discretionary decisions in total. At local level, the team highlighted decision-making, accuracy and procedural errors to offices and provided quarterly reports to local managers with information about error trends.

4.5 Improvements to IT

4.5.1 During the past few years only minor changes have been introduced to the Social Fund Computer System. However, one important upgrade we are developing now (for introduction in 2006), is to increase the limit in respect of the number of applications and repayable loans which can be held on the system for an individual customer. This is expected to deliver the capacity to process almost all Social Fund applications via the system - thus reducing expensive off system clerical activity.

4.6 Instructions and Guidance project

4.6.1 Work is ongoing within the Social Security Agency to produce a universal, easy to access, computer based guidance site for staff, to support delivery of all its benefits. This entails re-structuring the current paper copies of all operational guidance into a new computer format. It helps staff by separating out those elements of guidance that are mandatory from those that are good operational practice and is readily available to both front-line and specialist staff on the Agency's internal network.

4.6.2 Furthermore, arrangements are to be made for external users of the Department's directions and guidance to have access to it in the new computer format.

4.7 Publicity for external customers

4.7.1 Social Fund claim forms, application forms and leaflets can be found at the website of the Department for Social Development at www.dsdni.gov.uk, through the link to the Social Security Agency on the home page.

5 FINANCIAL ISSUES

5.1 Background

5.1.1 Payments from the regulated fund are not limited by a budget. Regulations prescribe the circumstances and amounts payable. For the discretionary Social Fund, cash limited budgets are allocated to individual districts.

5.2 The 2004/05 discretionary Social Fund budgets

5.2.1 From April 2004 the net discretionary Social Fund budget was increased by £2.82 million above the 2002/03 level to £15.81 million. This was the second instalment of the extra £8.2 million addition to the discretionary Social Fund budget over the three years 2003/04 to 2005/06, as announced in the 2002 Pre-Budget Report. The £15.81 million, together with the forecast for 2004/05 recoveries of £42.44 million, allowed a gross budget of £58.25 million to be set at the start of the year.

5.2.2 The additional £0.94 million, which was the difference between the £2.82 million and the £1.88 million for 2003/04, was used to increase the regional Community Care Grants budget. The £1.88 million extra net funding from 2003/04 - already allocated 50/50 to grants and loans that year - remained in those budgets in 2004/05. The total Social Fund gross discretionary budgets for Northern Ireland at 1 April 2004 were:

Community Care Grants	£12.64 million
Loans	£45.51 million
Contingency reserve	£0.10 million

The recovery forecast for the year was £42.44 million.

5.3 Re-allocation of the loans budget

5.3.1 Also, during the year there were several minor re-allocations of loans budget funding between districts. These amounted to £0.7 million in February 2005, and £0.25 million in March 2005. The funds were taken from some districts with budget under spends, and given to other districts. This enabled all districts to continue to offer similar Budgeting Loan amounts to the end of the year, achieving maximum consistency for applicants wherever they live.

5.4 Allocations to districts in 2004/05

5.4.1 The basis for the initial 2004/05 loans budget allocation, and the subsequent re-distribution of budgets, was to provide applicants with broadly similar personal circumstances the same level of Budgeting Loan assistance wherever they live.

5.5 Payments from the contingency reserve

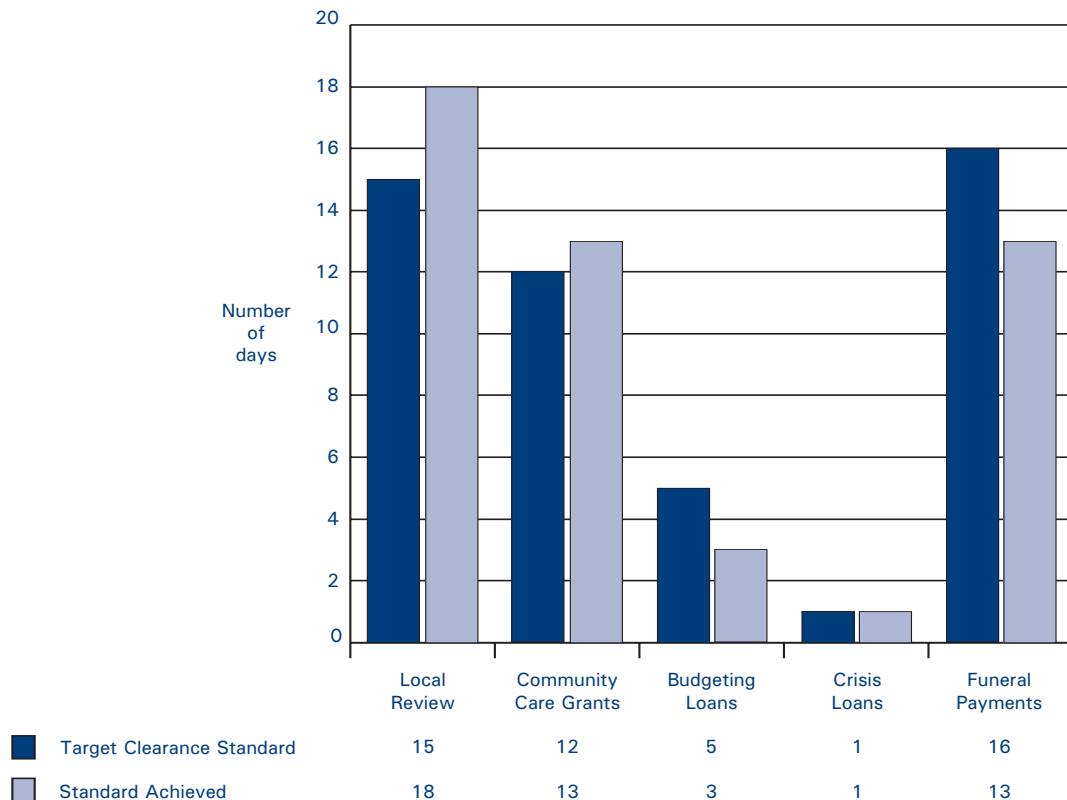
5.5.1 During the year additional allocations from the contingency reserve were made to the Community Care Grant budgets in two districts. These covered the costs of unforeseen spending, and helped flood victims.

5.6 Recoveries

5.6.1 £42.94 million was recovered through the repayment of loans during 2004/05, £0.5 million above the target set at the start of the year.

5.6.2 Funeral payments are recoverable from the estate of the deceased. In 2004/05, £0.85 million was recovered. The chart below shows details of the Repayment Source during the year.

Repayment Source 2004/2005



5.6.3 Details of recoveries are given in Annexes 1 and 11.

6 SUMMARY OF FINANCIAL PERFORMANCE

6.1 General

6.1.1 During the year the Social Fund has, in total, provided payments worth over £65.35 million. In addition, Winter Fuel Payments of £49.7 million (including the 80+ payment) have been made to 230,553 households that include someone aged 60 or over.

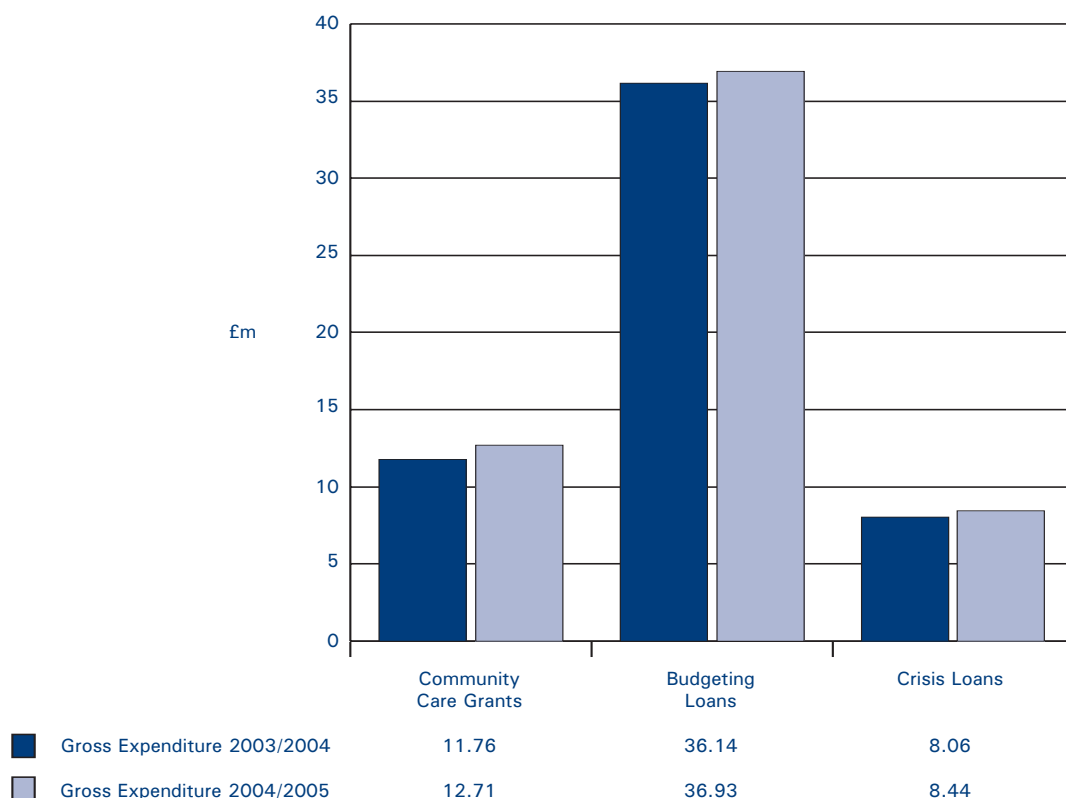
6.1.2 Compared to 2003/04, the figures for 2004/05 show:

- Overall there were 272,525 applications to the discretionary Social Fund - 7,562 fewer than in 2003/04.

- Applications for Community Care Grants decreased by just under 9% to 51,339.
- The number of grant decisions resulting in an initial award increased from 54.7% to 57.7%.
- Applications for Crisis Loans increased from 101,385 to 106,006.
- The number of Crisis Loan decisions resulting in an initial award decreased slightly from 83.8% to 83%.
- Applications for Budgeting Loans decreased by nearly 6% from 122,399 to 115,180.
- The number of Budgeting Loan decisions resulting in an initial award decreased slightly from 75.4% to 75.1%.

6.1.3 Gross expenditure on Budgeting Loans was £36.93 million, and gross expenditure on Crisis Loans was £8.44 million. Expenditure on Community Care Grants was £12.71 million. The chart below compares Discretionary Fund gross expenditure over the last two years.

Discretionary Fund Gross Expenditure 2003/2004 v 2004/2005



6.1.4 Loan recoveries during the year were £43.94 million against a recovery target of £43.44 million. Recoveries provided 96% of the funds needed to meet gross loans expenditure.

6.1.5 Overall, during 2004/05 the discretionary Social Fund provided help in the form of over 205,070 awards.

6.2 The discretionary Social Fund budget for 2005/06 and its allocation

- 6.2.1 The net discretionary Social Fund budget has increased by £0.68 million in 2005/06 to £16.489 million. This is part of the overall investment of £8.2 million in Treasury funding for the three years 2003/04 to 2005/06. The gross discretionary Social Fund budget for 2005/06 is £59.59 million, of which £43.10 million will be provided through the repayment of loans.
- 6.2.2 £0.1 million has been retained centrally to provide a contingency reserve to support any district budget that comes under pressure from unforeseen expenditure.
- 6.2.3 As part of the allocation, the regional grants budget has been increased by £0.68 million to £13.32 million. Again, this is a significant increase in investment in the grants budget. It has been distributed so that all districts receive a minimum 2% increase over their 2004/05 budget, with the remainder of the £0.68 million then allocated to achieve the largest step possible towards all districts meeting the same regional (average) proportion of legitimate demand.
- 6.2.4 The regional gross loans budget of £46.17 million was again allocated to support the continuing aim of consistency of outcome for Budgeting Loan applicants wherever they live. Any in-year allocation to, or re-distribution of, district loans budgets will be made on this basis.
- 6.2.5 The 2005/06 discretionary Social Fund budget was allocated on 1st April 2005 to six district budgets.

INDEX TO ANNEXES

GENERAL

Annex 1 Northern Ireland Social Fund summary statistics

THE REGULATED SOCIAL FUND

Annex 2 Sure Start Maternity Grants and Funeral Payments: awards by Applicant group and by qualifying benefit or tax credit.

THE DISCRETIONARY SOCIAL FUND

Annex 3 Discretionary Grants and Loans: Expenditure by applicant group

Annex 4 Community Care Grants: expenditure by Direction 4

Annex 5 Community Care Grants: reasons for refusal

Annex 6 Budgeting Loans: awards by family size and comparison with 2003/04

Annex 7 Budgeting Loans: awards by family size and length of time on benefit and comparison with 2003/04

Annex 8 Budgeting Loans: reasons for refusal

Annex 9 Crisis Loans: expenditure by category

Annex 10 Crisis Loans: reasons for refusal

Annex 11 Loan recovery

Annex 12 Summary of Social Fund Review applications

Annex 13 Summary of Social Fund appeals

Annex 14 Client groups and applicant group definitions

Abbreviations

BL	Budgeting Loan
CCG	Community Care Grant
CL	Crisis Loan
CTC	Child Tax Credit
CWP	Cold Weather Payment
FP	Funeral Payment
IS	Income Support
JSA (IB)	Jobseeker's Allowance (Income-based)
OSFC	Office of the Social Fund Commissioner
SFI	Social Fund Inspector
SFO	Social Fund Officer
SPC	State Pension Credit
SSMG	Sure Start Maternity Grant
WTC	Working Tax Credit

NORTHERN IRELAND SOCIAL FUND SUMMARY STATISTICS 2004/2005

	REGULATED SOCIAL FUND			DISCRETIONARY SOCIAL FUND		
	SSMG	CWP	FP	CCG	BL	CL
Applications received	11,633	N/A	3,929	51,339	115,180	106,006
Decisions ¹	11,652	N/A	3,946	51,729	116,204	106,017
Awards	9,027	N/A	2,994	29,848	87,241	87,981
Awards as % of decisions	77.5	N/A	75.9	57.7	75.1	83
Refusals	2,703	N/A	997	21,662	26,137	16,300
Gross Expenditure £m	4.57	N/A	2.70	12.71	36.93	8.44
Recoveries £m	N/A	N/A	0.85	N/A	35.86	7.09
Net Expenditure £m	4.57	N/A	1.85	12.71	1.07	1.35
Average Award £	506.59	N/A	903.75	425.82	423.31	96.02

NOTES:

1. Average SSMG award reflects multiple births.
2. There is no requirement to claim Cold Weather Payments.
3. 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).
4. For the discretionary Social Fund, the method of calculating average awards is to divide initial expenditure (excluding the value of review awards) by the number of initial awards.
5. The difference between applications received, initial decisions, awards and initial refusals, is due to: applications being withdrawn; applicants not responding to loan offers; and, not decided at the time the count was made.
6. 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.
7. Figures and percentages may not sum due to rounding.

¹ Figures include decisions given in outstanding cases carried forward from 2003/04

SURE START MATERNITY GRANTS AND FUNERAL PAYMENTS

AWARDS BY APPLICANT GROUP				
Applicant Group	Sure Start Maternity Grants		Funeral Payments	
	Awards	% of Awards	Awards	% of Awards
Pensioners	1	0.0	1,527	51
Unemployed	347	3.8	117	3.9
Disabled	703	7.8	468	15.6
Lone Parent	2,258	25	271	9.1
Employed	3,104	34.4	97	3.2
Others	2,614	29	514	17.2

AWARDS BY QUALIFYING BENEFIT OR TAX CREDIT				
Qualifying Benefit	Sure Start Maternity Grants		Funeral Payments	
	Awards	% of Awards	Awards	% of Awards
IS, JSA(IB) and SPC	4,473	49.6	2,625	87.7
CTC (at a rate higher than the family element) / WTC (which includes a disability or a severe disability element).	4,554	50.4	189	6.3
Housing Benefit	N/A	N/A	180	6
Total	9,027	100	2,994	100

NOTES:

1. Applicant group definitions are in Annex 14.
2. Figures and percentages may not sum due to rounding.

DISCRETIONARY GRANTS AND LOANS

Expenditure by Applicant Group						
Applicant Group	Community Care Grants		Budgeting Loans		Crisis Loans	
	Amount (£)	%	Amount (£)	%	Amount (£)	%
Pensioners	3,257,723	25.6	1,826,328	4.9	113,580	1.3
Unemployed	736,578	5.8	2,853,513	7.7	2,584,043	30.6
Disabled	5,331,498	41.9	14,302,933	38.7	1,782,566	21.1
Lone Parents	2,578,499	20.3	13,814,933	37.4	2,075,342	24.6
Others	808,415	6.4	4,132,003	11.2	1,888,239	22.4

NOTES:

1. Applicant group definitions are in Annex 14.
2. This table includes awards on review.
3. Figures and percentages may not sum due to rounding.

COMMUNITY CARE GRANTS

Expenditure by Direction 4			
	Direction 4 Condition Satisfied	Amount (£)	% of Gross Expenditure
4(a)(i)	People moving out of institutional or residential care	210,032	2
4(a)(ii)	Helping people stay in the community	6,895,047	54
4(a)(iii)	Families under exceptional pressure	5,101,005	40
4(a)(iv)	Prisoner or young offender on release or temporary licence	3,289	0
4(a)(v)	People setting up home as a planned programme of resettlement	78,821	1
4(b)	Travelling Expenses	424,520	3

NOTES:

1. If more than one condition is satisfied by an application it will be recorded under the first condition, in the order set out in the table.
2. Figures are estimated as the computer system does not split expenditure made after a review by the part of direction 4 satisfied.
3. Figures and percentages may not sum due to rounding.

COMMUNITY CARE GRANTS

Reasons for Refusal by Applicant Group						
Counts						
Reasons for Refusal	Pensioners	Unemployed	Disabled	Lone Parents	Others	Total
Savings sufficient to meet cost	215	1	48	4	5	273
Not in receipt of IS/JSA(IB)/SPC & unlikely to be	149	467	412	93	1,181	2,302
Excluded items	61	32	134	86	28	341
Amount less than £30, not travelling expenses	2	2	2	1	0	7
Direction 4 not satisfied	694	2,720	3,740	4,151	1,612	12,917
Previous application decision	123	95	513	147	70	948
Insufficient priority	510	170	2,402	657	296	4,035
Other	115	74	282	122	40	633
Total	1,869	3,561	7,533	5,261	3,232	21,456

COMMUNITY CARE GRANTS

Reasons for Refusal by Applicant Group						
Percentages						
Reasons for Refusal	Pensioners	Unemployed	Disabled	Lone Parents	Others	Total
Savings sufficient to meet cost	11.5%	0.0%	0.6%	0.1%	0.2%	1.3%
Not in receipt of IS/JSA(IB)/SPC & unlikely to be	8.0%	13.1%	5.5%	1.8%	36.5%	10.7%
Excluded items	3.3%	0.9%	1.8%	1.8%	0.9%	1.6%
Amount less than £30, not travelling expenses	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Direction 4 not satisfied	37.1%	76.4%	49.6%	78.9%	49.9%	60.2%
Previous application and decision	6.6%	2.7%	6.8%	2.8%	2.2%	4.4%
Insufficient priority	27.3%	4.8%	31.9%	12.5%	9.2%	18.8%
Other	6.2%	2.1%	3.7%	2.3%	1.2%	3.0%
Total	100%	100%	100%	100%	100%	100%

NOTES:

1. Figures and percentages may not sum due to rounding; figures are rounded to the nearest 100.
2. Applicant group definitions are in Annex 14.
3. This information is obtained from a scan of the Social Fund Computer System. The overall totals may therefore differ slightly from those at Annex 1.

BUDGETING LOANS AWARDS BY FAMILY SIZE (INCLUDING COMPARISON WITH 2003/2004)

Family Size	Number of Awards	Expenditure (£)	Average Award (£)	% of Awards		% of Expenditure	
				2003/04	2004/05	2003/04	2004/05
Single person	52,329	12,217,158	233.47	45.8	45.9	33.1	33.5
Single person with one child	19,049	6,639,907	348.57	16.4	16.7	17.9	18.2
Single person with two children	15,001	5,854,464	390.27	13.0	13.2	15.71	16.1
Single person with three or more children	13,905	5,747,628	413.35	12.3	12.2	16.1	15.8
Couple	5,159	2,032,005	393.88	4.4	4.5	5.4	5.6
Couple with one child	2,342	1,020,881	435.90	2.3	2.1	3.1	2.8
Couple with two children	2,508	1,194,726	476.37	2.4	2.2	3.6	3.3
Couple with three or more children	3,675	1,721,634	468.47	3.4	3.2	5.1	4.7

NOTES:

1. This table does not include awards and expenditure on review.
2. Figures and percentages may not sum due to rounding.
3. Obtained from extracts from the Social Fund Computer System.

ANNEX 7

BUDGETING LOANS AWARDS BY FAMILY SIZE AND LENGTH OF TIME ON BENEFIT (INCLUDING COMPARISON WITH 2003/2004)

Family Size and length of time on benefit	Number of Awards	Expenditure (£)	Average Award (£)	% of Awards		% of Expenditure	
				2003/04	2004/05	2003/04	2004/05
Single person on benefit less than 36 months	28,493	5,098,588	178.94	24.8	25.0	13.3	14.0
Single person on benefit 36 months or over	23,836	7,118,570	298.65	21.0	20.9	19.8	19.5
Single person with children on benefit less than 36 months	14,000	4,695,044	335.36	13.0	12.3	13.5	12.9
Single person with children on benefit 36 months or over	33,955	13,546,955	398.97	28.7	29.8	36.1	37.2
Couple on benefit less than 36 months	1,743	604,110	346.59	1.1	1.5	1.0	1.7
Couple on benefit 36 months or over	3,416	1,427,895	418.00	3.3	3.0	4.4	3.9
Couple with children on benefit less than 36 months	3,044	1,204,688	395.76	3.3	2.7	4.0	3.3
Couple with children on benefit 36 months or over	5,481	2,732,553	498.55	4.8	4.8	7.9	7.5

NOTES:

1. This table does not include awards and expenditure on review.
2. Figures and percentages may not sum due to rounding.
3. Obtained from extracts from the Social Fund Computer System.

BUDGETING LOANS

Reasons for Refusal by Applicant Group						
Counts						
Reasons for Refusal	Pensioners	Unemployed	Disabled	Lone Parents	Others	Total
Insufficient priority	493	2,382	5,835	4,153	2,662	15,525
Not on IS/JSA(IB)/SPC	14	914	83	69	2,470	3,550
Not in receipt of qualifying benefit for 26 weeks	48	2,896	719	1,129	1,610	6,402
Other	6	129	192	180	153	660
Total	561	6,321	6,829	5,531	6,895	26,137

BUDGETING LOANS

Reasons for Refusal by Applicant Group						
Percentages						
Reasons for Refusal	Pensioners	Unemployed	Disabled	Lone Parents	Others	Total
Outstanding debt	88%	38%	85.5%	75%	39%	59%
Not on IS/JSA(IB)/SPC	2.5%	14%	1%	1%	36%	14%
Not in receipt of qualifying benefit for 26 weeks	8.5%	46%	10.5%	20%	23%	25%
Other	1%	2%	3%	4%	2%	2%
Total	100%	100%	100%	100%	100%	100%

NOTES:

1. Numbers are rounded to the nearest 100.
2. Figures and percentages may not sum due to rounding.

CRISIS LOANS

Expenditure by application for purpose		
Purpose	Amount (£)	% of Gross Expenditure
Items or services	3,588,091	43.2
Rent in advance	371,549	4.5
Living Expenses (General)	1,633,403	19.7
Living Expenses (alignment)	2,706,417	32.6

NOTES:

1. Figures and percentages may not sum due to rounding.
2. An alignment payment is to cover living expenses up to the first payment of benefit or wages.

CRISIS LOANS

Reasons for Refusal by Applicant Group						
Counts						
Reasons for Refusal	Pensioners	Unemployed	Disabled	Lone Parents	Others	Total
No serious risk to health and safety	135	4,901	3,759	3,075	2,414	14,284
Help available from another source	3	5	10	12	4	34
Excluded items	3	105	70	84	59	321
Inability to repay	2	91	76	60	71	300
Suitable alternative	1	3	9	3	2	18
Enough money to pay for crisis	0	0	1	0	0	1
Previous application & SFO decision	13	219	268	158	171	829
Insufficient priority	0	11	3	4	6	24
JSA sanction/disallowance	0	16	0	0	7	23
Other	0	4	5	5	22	36
Total	157	5,355	4,201	3,401	2,756	15,870

CRISIS LOANS

Reasons for Refusal by Applicant Group						
Percentages						
Reasons for Refusal	Pensioners	Unemployed	Disabled	Lone Parents	Others	Total
No serious risk to health and safety	86.0%	91.5%	89.5%	90.4%	87.6%	90%
Help available from another source	1.9%	0.1%	0.2%	0.4%	0.1%	0.2%
Excluded items	1.9%	2.0%	1.7%	2.5%	2.1%	2.0%
Inability to repay	1.3%	1.7%	1.8%	1.8%	2.6%	1.9%
Suitable alternative	0.6%	0.1%	0.2%	0.1%	0.1%	0.1%
Enough money to pay for crisis	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Previous application & SFO decision	8.3%	4.1%	6.4%	4.6%	6.2%	5.2%
Insufficient priority	0.0%	0.2%	0.1%	0.1%	0.2%	0.2%
JSA sanction/disallowance	0.0%	0.3%	0.0%	0.0%	0.3%	0.1%
Other	0.0%	0.1%	0.1%	0.1%	0.8%	0.2%
Total	100%	100%	100%	100%	100%	100%

NOTES:

1. Numbers are rounded to the nearest 100.
2. Figures and percentages may not sum due to rounding.
3. Applicant group definitions are in Annex 14.
4. This information is obtained from a scan of the Social Fund Computer System. The overall totals may therefore differ slightly from those at Annex 1

LOAN RECOVERY

Average weekly repayment deductions from Income Support, Jobseeker's Allowance and State Pension Credit

		May 2004	August 2004	November 2004	February 2005
Average Deduction	IS	£13.19	£13.14	£13.05	£13.17
	JSA	£8.03	£8.01	£7.99	£8.05
	SPC	£13.77	£13.83	£13.58	£13.3
Number of deductions	IS	46,320	45,420	46,640	48,260
	JSA	8,845	8,330	8,055	8,850
	SPC	3,640	3,860	3,940	4,080

NOTE:

1. Data from Income Support, Jobseeker's Allowance and State Pension Credit Quarterly Statistical Enquiries.

Repayment Source 2004/2005

	Crisis Loans		Budgeting Loans	
	Amount £	%	Amount £	%
Income Support, & State Pension Credit	4,562,369	64.4	31,167,899	86.9
Jobseeker's Allowance	1,382,321	19.5	2,908,113	8.1
Other Benefits	753,790	10.6	942,451	2.6
Cash	386,633	5.5	837,011	2.3

NOTES:

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

SUMMARY OF SOCIAL FUND REVIEW APPLICATIONS

	CCG	BL	CL	Total
Number of applications for first review	6702	1018	1348	9068
Number of decisions revised at first review	4057	164	364	4585
Percentage	60.53%	16.11%	27.00%	50.56%
Number of applications for SFI review	726	46	107	879
OSFC Decisions	718	47	202	967 ²
Number of reviewing officer decisions reviewed	682	46	195	923
Number of decisions confirmed	242	38	89	369
Percentage confirmed	33.7%	80.9%	44.1%	38.2%
Number of decisions substituted	441	5	106	550
Percentage substituted	61.4%	10.6%	52.5%	56.9%
Number of decisions referred back to the reviewing officer	17	3	2	22
Percentage referred back	2.4%	6.4%	1%	2.3%

² This figure includes 20 decisions made under Article 38(5) of the Social Security (Northern Ireland) Order 1998

APPEALS 2004/2005

Number of Appeals heard and decided by Appeal Tribunals				
Type of Payment	Number of Appeals	Number decided by hearing	Decided in appellant's favour	Percentage decided in favour
Funeral Payments	74	46	2	4.35%
Sure Start Maternity Grants	30	10	0	0.0%
Winter Fuel Payments	38	2	0	0.00%

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. Therefore, the fund does not 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 applicant groups that fall into one or more of the wider client groups.

APPLICANT OR APPLICANT GROUP DEFINITIONS

PENSIONERS

Includes:

- applicant or partner aged 60 or over with State Pension Credit
- applicant or partner aged 60 or over in receipt of State Retirement Pension
- applicant is under 60 and partner is 60 or over with Income Support pensioner premium
- applicant is under 60 and partner is 80 or over with Income Support (IS) higher pensioner premium
- applicant is under 60 and partner is 60-79 and disabled with IS higher pensioner premium

UNEMPLOYED

Includes unemployed or with training allowance, either with or without JSA (IB) family premium

DISABLED

Includes:

- applicant or partner aged under 60 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 in receipt of IS who has no partner and is responsible

for a child under the age of 16

OTHERS

Includes:

- others with or without IS family premium
- 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, pensioner or lone parent premium. Such an applicant would be counted as Unemployed.

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