

**EXPLANATORY MEMORANDUM TO**  
**The Social Fund (Applications and Miscellaneous Provisions ) (Amendment)**  
**Regulations**  
**(Northern Ireland) 2009**

**SR 2009 No. 392**

**1. Introduction**

- 1.1. This Explanatory Memorandum has been prepared by the Department for Social Development to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under powers conferred by the Social Security Administration (Northern Ireland) Act 1992 and is subject to the negative resolution procedure.

**2. Purpose**

- 2.1. The Statutory Rule makes amendments to the Social Fund (Applications and Miscellaneous Provisions) Regulations (Northern Ireland) 2008 ("the principal Regulations"). Regulations 2 to 4 of the principal Regulations set out the form and manner in which applications are to be made for payments by way of community care grants, crisis loans or budgeting loans out of the Social Fund.
- 2.2. Currently an application for any of these three payments may be made by completing a written application and then sending or delivering it to an office of the Department. In the case of crisis loan payments only, an application need not be made in writing and this allows officers of the Department to take applications for crisis loans by telephone instead.
- 2.3. The amendments to the principal Regulations will provide that, where a person who wishes to apply for a crisis loan in respect of living expenses, that person may be required to attend a pre-arranged face to face interview at an office of the Department to make the application.

**3. Background**

- 3.1. In Northern Ireland during the 2008-09 financial year there were 46,200 applications made for Crisis Loans for living expenses, which typically arose from lost, stolen or spent money, disasters, emergency travel expenses and capital not realisable. Of these, 18,300 (40% of the total) were for the third or subsequent application during that 12 month period.
- 3.2. To ensure that the cash limited Social Fund budget remains focused on the people who are most in need, those applications which give rise to a reasonable doubt as to the nature of the crisis, or indicate the potential for abuse of available interest-free credit will be subject to greater scrutiny than is presently required. It will also provide the opportunity to signpost the applicant to money and debt management advice if requested. The effect of the amendment to the principal Regulations is to provide for a customer to be interviewed on the third and subsequent application for a Crisis Loan for living expenses within a rolling twelve month period, with

the calculation of the twelve month period coinciding with the introduction of the amendments.

- 3.3. Where the requirement to attend a face to face interview applies to a third or subsequent application, there will be discretion to waive the interview in favour of a telephone application. Any decision to waive will be based on the circumstances of the application and not the client group, as this affords the fairest and most flexible approach – for example if the application is made as a result of a disaster – the effects of which make attendance at the office difficult for the customer, or the travelling distance or time to the nearest office is unreasonable. Departmental directions and guidance will make it clear that this discretion should be used in the relevant circumstances.
- 3.4. The requirement to attend for interview will not apply to “alignment to benefit” crisis loans required to cover living expenses up to the first payment of benefit.

#### **4. Consultation**

- 4.1. The equivalent Great Britain Regulations were referred to the Social Security Advisory Committee and they agreed that the Regulations need not be formally referred.

#### **5. Equality Impact**

- 5.1. In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department has conducted a screening exercise on these legislative proposals and has concluded that the amendments do not have significant implications for equality of opportunity. In light of this, the Department considers that an equality impact assessment is not necessary.

#### **6. Regulatory Impact**

- 6.1. These Regulations do not require a Regulatory Impact Assessment as they do not impose any additional costs or savings on business, charities or voluntary bodies.

#### **7. Financial Implications**

- 7.1. The financial effect of these revised procedures should be cost neutral.

#### **8. Section 24 of the Northern Ireland Act 1998**

- 8.1. The Department has also considered its obligations under section 24 of the Northern Ireland Act 1998. It is the Department’s judgement that the Social Fund (Applications and Miscellaneous Provisions ) (Amendment ) Regulations (Northern Ireland) 2009 are not incompatible with the Convention rights, are not incompatible with Community law, do not discriminate against any person or class of person on the ground of religious belief or political opinion and do not modify an enactment in breach of section 7 of the Northern Ireland Act 1998.

#### **9. EU Implications**

- 9.1. Not applicable.

## **10. Parity or Replicatory Measure**

- 10.1. The Regulations mirror the Great Britain Regulations and are in keeping with the principal of parity between Northern Ireland and Great Britain in social security matters.

## **11. Additional Information**

- 11.1. Not applicable.