

**EXPLANATORY MEMORANDUM TO**  
**THE SOCIAL FUND (AMENDMENT) REGULATIONS 2017**

**2017 No. 271**

**1. Introduction**

- 1.1 This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.

**2. Purpose of the instrument**

- 2.1 This instrument makes amendments to the Social Fund Maternity and Funeral Expenses (General) Regulations 2005<sup>1</sup> and the Social Fund Cold Weather Payments (General) Regulations 1988<sup>2</sup>. The changes will amend qualifying conditions for certain payments out of the Social Fund following changes to Child Tax Credit which will take effect from 6 April 2017.

**3. Matters of special interest to Parliament**

*Matters of special interest to the Joint Committee on Statutory Instruments*

- 3.1 None.

*Other matters of interest to the House of Commons*

- 3.2 As this instrument is subject to negative resolution procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage.

**4. Legislative Context**

- 4.1 Payments are made from the Social Fund to meet certain maternity and funeral expenses, and expenses due to extreme cold weather. One of the conditions of eligibility for Social Fund payments is that claimants are in receipt of certain prescribed benefits. In respect of Sure Start Maternity Grants and Funeral Expenses Payments this includes Child Tax Credit payable at a rate that is higher than the family element (regulations 5(2)(e) and 7(4)(a)(v) of the Social Fund Maternity and Funeral Expenses (General) Regulations 2005). In respect of Cold Weather Payments it includes Child Tax Credit where an individual element is awarded at the higher rate for a disabled or severely disabled child or qualifying young person (regulation 1A(3)(d) of the Social Fund Cold Weather Payments (General) Regulations 1988).
- 4.2 The family element of Child Tax Credit is currently awarded to all persons entitled to Child Tax Credit (section 9 of the Tax Credits Act 2002<sup>3</sup>). The individual element is currently awarded in respect of each child or qualifying young person for whom the claimant is responsible, and is paid at a higher rate in respect of disabled or severely disabled children and qualifying young persons (regulation 7(4) of the Child Tax Credit Regulations 2002).

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<sup>1</sup> <http://www.legislation.gov.uk/ukxi/2005/3061/contents>

<sup>2</sup> <http://www.legislation.gov.uk/ukxi/1988/1724>

<sup>3</sup> <http://www.legislation.gov.uk/ukpga/2002/21/contents>

- 4.3 The Welfare Reform and Work Act 2016 introduced reforms of Child Tax Credit that will take effect from 6 April 2017. From that date the family element of Child Tax Credit will only be awarded where a claimant is responsible for a child born before 6 April 2017. Where the claimant is responsible for a child born on or after 6 April 2017 the individual element of Child Tax Credit will generally be awarded in respect of only the first two children in the claimant's household. The higher rate individual element awarded in respect of children who are disabled or severely disabled will be replaced by a new disability element. The disability element will not be restricted to a maximum number of children or qualifying young persons per household.
- 4.4 The Social Fund (Amendment) Regulations 2017 amend the qualifying conditions for Sure Start Maternity Grants, Funeral Expenses Payments and Cold Weather Payments to reflect these changes.

## **5. Extent and Territorial Application**

- 5.1 The extent of this instrument is Great Britain.
- 5.2 The territorial application of this instrument is Great Britain
- 5.3 Subject to the agreement of the Northern Ireland Assembly, the Department of Communities in Northern Ireland will be making corresponding provision for Northern Ireland.

## **6. European Convention on Human Rights**

- 6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

## **7. Policy background**

### *What is being done and why*

- 7.1 The Sure Start Maternity Grant is a grant of £500 to provide help to claimants with the costs of a new baby (or babies in the event of a multiple birth) if there are no other children under the age of 16 in the claimant's family. To be eligible claimants must have received health advice from a certified health professional and be awarded a qualifying income related benefit, Working Tax Credit or Child Tax Credit payable at a rate higher than the family element.
- 7.2 The Social Fund Funeral Expenses Payments scheme meets the necessary costs of a cremation or burial including the purchase of a grave with exclusive burial rights. It makes a further contribution to non-essential costs of a burial or cremation, usually limited to a maximum payment of £700. To be eligible claimants must be in receipt of a qualifying income related benefit, Working Tax Credit or Child Tax Credit payable at a rate higher than the family element.
- 7.3 This instrument amends the Social Fund Maternity and Funeral Expenses (General) Regulations 2005 in consequence of the changes to the family element of Child Tax Credit that will take effect from 6 April 2017. Entitlement to a Sure Start Maternity Grant and Funeral Expenses Payment from 6 April 2017 will be linked to the award of an individual element or disability element of Child Tax Credit, as from this date not all claimants awarded Child Tax Credit will be awarded the family element. The intention of this change is to ensure that all claimants who would have qualified for a

Sure Start Maternity Grant or Funeral Expenses Payment prior to 6 April 2017 will continue to do so. In 2015-16 21,600 (36.4%) Sure Start Maternity Grants and 3,900 (10.7%) Funeral Expenses Payments used Child Tax Credit as a qualifying benefit.

- 7.4 Cold Weather Payments provide financial help for vulnerable persons who are identified as most likely to be susceptible to the cold and who are in receipt of one of the following income replacement benefits – State Pension Credit, Income Support, income based Jobseekers Allowance, income related Employment and Support Allowance and Universal Credit. Claimants must also meet other specified conditions. In the case of Income Support, income based Jobseeker’s Allowance and income related Employment and Support Allowance one of those specified conditions is that they have been awarded the higher rate individual element of Child Tax Credit.
- 7.5 This instrument amends the Social Fund Cold Weather Payments (General) Regulations 1988 in consequence of the changes to the individual element of Child Tax Credit that will take effect from 6 April 2017. From this date it will be a specified condition for receipt of a Cold Weather Payment that the claimant has been awarded the disability element of Child Tax Credit. The intention of this change is to ensure that all claimants who would have qualified for a Cold Weather Payment prior to 6 April 2017 will continue to do so.

#### ***Consolidation***

- 7.6 Informal consolidated text of instruments is available to the public free of charge via ‘the National Archives’ website <http://www.legislation.gov.uk/>.

### **8. Consultation outcome**

- 8.1 The intention behind this instrument is to maintain equivalent eligibility criteria to Sure Start Maternity Grants, Funeral Expenses Payments and Cold Weather Payments following changes to Child Tax Credit; there is no change to the policy aims of these payments. Consultation on these changes was not therefore considered appropriate.

### **9. Guidance**

- 9.1 The changes to the qualifying conditions are minimal as the intention is to maintain equivalent eligibility criteria for each payment scheme. Before the instrument comes into force a bulletin will be issued to Department for Work and Pensions decision makers to inform them of the changes. Updates will be made to the eligibility information, both on-line and written, as well as application forms to reflect the changes.

### **10. Impact**

- 10.1 There is no impact on business, charities or voluntary bodies.
- 10.2 The impact on the public sector is negligible as the consequential amendments ensure those claimants previously entitled to payments out of the Social Fund continue to be eligible in the same circumstances.
- 10.3 An Impact Assessment has not been prepared for this instrument.

### **11. Regulating small business**

- 11.1 The legislation does not apply to activities that are undertaken by small businesses.

## **12. Monitoring & review**

- 12.1 The intention is to monitor the impact of the changes on the number of eligible claims received to ensure the changes do not have an unintended impact on the number of eligible claimants.

## **13. Contact**

- 13.1 Ron Butler at the Department for Work and Pensions Telephone 07775 404 780 or e-mail [socialfundstrategy.singlepointofcontact@dwpgsi.gov.uk](mailto:socialfundstrategy.singlepointofcontact@dwpgsi.gov.uk) will answer any queries regarding this instrument.