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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make provision for the circumstances when payments on account of benefit may be made.

Part 1 makes general provision relating to coming into force and interpretation.

Part 2 relates to payments on account of benefit which can be made in certain circumstances. These are where it appears to the Secretary of State that a person would be entitled to a benefit listed in regulation 3 and has claimed such a benefit but the claim has not been determined or is not required by law to claim such a benefit (regulation 5). These can also be paid where a claim for benefit has been determined but benefit cannot be paid at the appointed time in certain circumstances (regulation 6). In both cases, such advances can only be made where the Secretary of State is satisfied that the person is in financial need (defined in regulation 7). There is also provision relating to notices which must be given when such payments on account of benefit are made (regulation 8) and allowing such payments to be made by direct credit transfer (regulation 9). Regulation 10 provides for bringing these payments on account of benefit into account against future awards of the benefit on account of which the payment was made.

Part 3 relates to payment of what are termed budgeting advances. These can be paid to persons for the purpose of defraying intermittent expenses where those persons are in receipt of universal credit and have been receiving it or its predecessor benefits for a continuous period of at least 6 months (except where the expense necessarily relates to obtaining or retaining employment) (regulation 12). The person must also satisfy certain conditions as to their earnings (regulation 13). Regulation 14 prescribes that a budgeting advance is payable only if there is no amount of budgeting advance outstanding and the Secretary of State is also satisfied that the budgeting advance can reasonably be expected to be recovered. Regulation 15 prescribes the maximum and minimum amounts payable by way of a budgeting advance. Regulation 16 prescribes that capital over £1,000 is offset against the amount of a budgeting advance which would otherwise be awarded. Regulations 17 and 18 respectively make similar provision for budgeting advances to those in regulations 8 and 9.

Part 4 amends the Social Security (Payments on account, Overpayments and Recovery) Regulations 1988 ([S.I.1988/664](#)) (“the 1988 Regulations”). Regulation 19(1) revokes Part 2 of the 1988 Regulations under which payments on account are currently made. However, regulation 19(2) contains a saving provision so that those provisions continue to apply for applications made before regulation 19(1) comes into force and to payments on account made pursuant to such applications.

Part 4 also makes consequential amendments to Schedule 2 to the Social Security and Child Support (Decisions and Appeals) Regulations 1999 ([S.I.1999/991](#)). In particular, regulation 20(1)(a) removes the reference to decisions under Part 2 of the 1988 Regulations and regulation 20(1)(b) provides that there will be no right of appeal against a decision made under these Regulations except where it relates to bringing payments into account under regulation 10. There is a saving in regulation 20(2) in respect of decisions relating to applications for interim payments to which regulation 19(2) applies.

A full impact assessment has not been produced for this instrument as it has no impact on the private sector or civil society organisations.