

From: The Minister

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Arlene Foster MLA
First Minister

Michelle O'Neill MLA
deputy First Minister

Request for Urgent Procedure - Discretionary Support (Amendment No.2) Regulations (your ref EXEC-0087-2020) – further information

You posed a number of questions about the urgency of these regulations which I have answered as follows:

Indicate why this is assessed to be needed and what the budget implications are assessed to be by the department?

- Currently many people on low-incomes are unable to access Discretionary Support, which includes the COVID-19 living expenses grant approved by the Assembly on 24 March 2020. At the current level the annual income threshold disproportionately benefits single people with no dependents. In contrast families, including those in receipt of income-related benefits, may be excluded. For example – a couple with three children and with one of the adults assessed as incapable of work would receive approximately £19,226 per year on Universal Credit (excluding childcare and housing costs). This amount is above the £18,137 annual income threshold that will apply to

Discretionary Support from 1 April and they would therefore be excluded from support.

- It is accepted that a single income threshold for all households may not be appropriate and as part of a review of Discretionary Support my Department has identified options for reforming the current income threshold. I will share the outcome of this review with the Assembly in the coming months. However, this is an emergency response to the escalating situation of COVID-19 and is being proposed by Minister Hargey in order to protect the most vulnerable. As the legislation is draft affirmative the changes cannot be introduced until approved by the Assembly therefore consent to proceed is required as a matter of some urgency.
- Due to acute time pressures arising from the COVID-19 emergency situation my Department has not had the opportunity to fully assess the likely impact any increase in the income threshold would have on the volume of claims received and benefit expenditure. Also, the increased demand for social security benefits in the current crisis, which my Department is already experiencing, would make meaningful projections extremely difficult at this time.

Confirm if the discretionary support payment is limited by the benefit cap or is it excluded and additional to?

- Discretionary Support is not a relevant benefit for the purposes of calculating the Benefit Cap. This means that emergency payments from Discretionary Support do not count towards the total amount of benefit that a person can receive.

Outline what changes to this benefit, if any, has been made in other jurisdictions of the UK?

- While Discretionary Support is a specific scheme here, there are similar benefits provided by Scotland and Wales. In England there is no corresponding overall benefit but a very small number of local authorities provide similar financial support. DfC officials have had extensive discussions with officials in Scotland and Wales on the design of the respective emergency assistance schemes but there has not been any formal consultation on the response to the COVID-19 pandemic. Some of the following information is taken from their official websites.
- Scotland – The Scottish Welfare Fund provides a “crisis grant” which assists with short-term living expenses and a “community care grant” for a range of crisis situations. Scotland does not use an income-threshold but largely relies on entitlement to relevant income-related benefits to determine eligibility – this includes entitlement to Universal Credit. Scotland has more than doubled the funding available for this fund as a direct result of COVID-19 with an additional £45m being allocated against a previous budget of £35.5m. This

was specifically aimed at providing *“more flexibility in how it is used to ensure they can fully support people in financial crisis, including workers in the ‘gig economy’”*. The Scottish Government does not provide loans.

- Wales – Similarly to Scotland the Discretionary Assistance Fund provides two types of grants, with one specifically to assist with short-term living expenses. They do not use an income threshold with eligibility specifically linked to benefit entitlement including Universal Credit. As with Scotland the Welsh scheme does not offer loans. The Welsh Government does not appear to have amended this scheme or provided additional resources as a result of the COVID-19 pandemic.

I trust these responses are sufficient for you to agree the use of the urgent procedure in this case.

Yours sincerely

Personal Data

**Deirdre Hargey MLA
Minister for Communities**