

BRIEFING NOTE FOR SOCIAL DEVELOPMENT COMMITTEE – 2 JUNE 2011

1. June 2011 monitoring round proposals

1.1 Adjustments to Departments' budget allocations are carried out in-year by means of a number of "Monitoring Rounds". Monitoring rounds are normally held in June, September, December and February, with June Monitoring being the first opportunity for any changes of substance in the current financial year.

1.2 At the time of writing, the following table summarises the proposals to be put to the Department of Finance & Personnel (return due on 2nd June) as appropriate.

Table : June 2011 monitoring proposals

<u>Housing bids</u>	<u>Amount (£m)</u>
Mortgage rescue scheme	3.20
First time buyer scheme	3.25
Green New deal pilot	0.60
<u>Core Department bid</u>	
The Appeals Service	<u>1.05</u>
Total bids:	8.10
<u>Reduced requirements (Non-cash)</u>	
Social Security Agency	5.00
Child Maintenance & Enforcement	0.15

1.3 Summary of reasons behind June Monitoring proposals

A brief description of the background to each of the proposals is included below.

Bids

£3.2m for Mortgage Rescue – needed to finance a Government led scheme to assist homeowners who find themselves in mortgage arrears and under threat of repossession in the current difficult financial climate. There were almost 1900 repossession orders issued in 2010-11.

£3.25m for First Time Buyer initiative – represents a bid against Barnett “unhypothecated” consequentials, ie. it is up to the Executive to decide on final allocations, arising from the equivalent “First Buy” home purchasers initiative in Great Britain and worth £250m as announced by the Chancellor in March 2011.

£1.05m for The Appeals Service – an increase in Social Security Benefit appeals is anticipated as a result of various benefit changes, particularly the migration of Incapacity Benefit customers to Employment Support Allowance. In addition, there is also a current backlog of appeals arising from an increase in appeal numbers over the last twelve months. The bid is made up of costs associated with setting up the necessary panels, including the cost of members’ fees, as well as staff and admin costs such as travel & subsistence, postage etc.

£0.6m for Green New Deal pilot – In advance of preparing an appropriate economic appraisal for a full Green New Deal Scheme, the Department proposes to establish a pilot(s) to test the operation and potential outcomes.

Reduced Non-cash requirements

£5m - Social Security Agency / £0.15m - Child Maintenance & Enforcement Division

The reduced non-cash requirements in the Agency stem from International Financial Reporting Standard accounting treatments recently agreed with the Northern Ireland Audit Office; while those from Child Maintenance & Enforcement Division relate to reduced depreciation/impairment costs. These amounts are for non-cash items and cannot be used for another purpose.