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# Central government administered social security benefits and other payments

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## Introduction

1. This Vote provides for expenditure on non contributory social security benefits (ie benefits not financed from the National Insurance Fund) and on the vaccine damage payment scheme. The main benefits are pension benefits, war pensions, disability benefits, industrial injury benefits, income support, family benefits, earnings top up pilot and jobseeker's allowance (although the contributory based element of jobseeker's allowance is being financed from the National Insurance Fund). Expenditure from this Vote is determined by the level of demand – ie the number of claimants entitled to benefit at the prescribed rates. The costs of administering the benefits and other payments covered by this Vote are provided for in Class XII, Vote 3.
2. The rates of most of these benefits are, by statute, subject to annual review. Those payable from April 1999, were announced by the Secretary of State for Social Security on 28 January 1999 (Official Report, col. 485) and approved by Parliament in the Uprating Orders.
3. Explanations of each of these benefits are at Parts 1 and 2 of the Social Security Departmental Report 1999 (Cm 4214).
4. The average number of people expected to be receiving these benefits at any one time in 1999–2000 is given at Table 11 of Cm 4214.
5. A detailed analysis of receipts applied as appropriations in aid are given at Table 2 of Cm 4214.
6. The provision sought for 1999–2000 is 0.6 per cent higher than the final net provision for 1998–99 of £38,187 million and 5 per cent higher than the forecast outturn for that year of £36,605 million. A breakdown of the forecast outturn for 1998–99 by individual function is given in Table 2 of Cm 4214.
7. Symbols are explained in the Introduction to this booklet.

# Central government administered social security benefits and other payments

## Part I

**£38,423,678,000**

Amount required in the year ending 31 March 2000 for expenditure by the Department of Social Security on non contributory retirement pensions; Christmas bonus payments to pensioners; pensions etc, for disablement or death arising out of war, or service in the armed forces after 2 September 1939 and sundry other services, including pension and other payments in respect of service in the armed forces at other times; attendance allowance; invalid care allowance; severe disablement allowance; disability living allowance; disability working allowance; pensions, gratuities and sundry allowances for disablement and specified deaths arising from industrial causes; income support; payments of spousal and child maintenance; child benefit; family credit; vaccine damage payment scheme; earnings top up pilot; jobseeker's allowance (income based); jobseeker's allowance (contribution based); back to work bonus and expenditure incurred as part of the Welfare to Work initiative.

The **Department of Social Security** will account for this Vote.

	£
Net total	38,423,678,000
Allocated in the Vote on Account (HC 1134)	17,184,356,000
Balance to complete	21,239,322,000

## Part II Subhead detail

£'000

Direct Expenditure		Grants and transfers					Gross total	Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital							
<b>Welfare to work expenditure in Departmental Expenditure Limits</b>											
<b>Central government's own expenditure</b>											
★A: <i>Welfare to work</i>											
—	—	—	5,000	—	5,000	—	—	<b>5,000</b>	11,850	—	
<b>Main departmental programmes in Annually Managed Expenditure</b>											
<b>Central government's own expenditure</b>											
B: <i>Pension benefits</i>											
—	—	—	43,939	—	43,939	40	—	<b>43,899</b>	44,729	45,018	
C: <i>War pensions</i>											
—	10,000	—	1,223,018	—	1,233,018	1,500	—	<b>1,231,518</b>	1,259,032	1,288,168	
D: <i>Disability benefits</i>											
—	—	—	10,555,893	—	10,555,893	48,000	—	<b>10,507,893</b>	10,565,403	9,261,416	
E: <i>Industrial injury benefit</i>											
—	—	—	830,151	—	830,151	28,600	—	<b>801,551</b>	789,853	746,979	
F: <i>Income support for the elderly</i>											
—	—	—	3,838,568	—	3,838,568	11,400	—	<b>3,827,168</b>	3,776,198	3,772,699	
G: <i>Family benefits</i>											
—	—	—	10,145,672	—	10,145,672	2,500	—	<b>10,143,172</b>	9,909,671	9,414,604	

Part II		Subhead detail <i>continued</i>								£'000	
Direct Expenditure			Grants and transfers								
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital	Gross total	Z: Approp- riations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98		
<b>H: Vaccine damage payment scheme</b>											
—	—	—	327	—	327	—	327	245	30		
<b>I: Earnings top up pilot</b>											
—	—	—	31,872	—	31,872	—	31,872	28,254	23,583		
<b>J: Income support (under 60 years of age)</b>											
—	—	—	8,671,174	—	8,671,174	244,000	8,427,174	8,658,785	8,192,618		
<b>K: Jobseeker's allowance (income based)</b>											
—	—	—	3,412,604	—	3,412,604	8,500	3,404,104	3,143,438	3,418,458		
<b>L: Jobseeker's allowance (contribution based)</b>											
—	—	—	613,207	—	613,207	613,207	—	—	—		
<b>Total</b>	<b>—</b>	<b>10,000</b>	<b>—</b>	<b>39,371,425</b>	<b>—</b>	<b>39,381,425</b>	<b>957,747†</b>	<b>38,423,678</b>	<b>38,187,458</b>	<b>36,163,573</b>	

† Amount that may be applied as appropriations in aid in addition to the net total, arising from refunds of overpayments of non contributory retirement pensions, Christmas bonus, war pensions, attendance allowance, invalid care allowance, severe disablement allowance, disability living allowance and disability working allowance, industrial injury benefits, income support, child benefit, family credit, jobseeker's allowance (income based), jobseeker's allowance (contribution based) and back to work

bonus; recoveries from damages paid to recipients of attendance allowance, severe disablement allowance, disability living allowance and mobility allowance, disability working allowance, industrial injury benefits, income support, family credit, jobseeker's allowance (income based) and jobseeker's allowance (contribution based); recoveries of income support from arrears of social security benefits; miscellaneous recoveries; recoveries of emergency payments and payments on return to work after a trade dispute made to

people who would normally be excluded from income support because they are in full time work; payments by liable relatives, amounts collected through a court order or on a voluntary basis from relatives of income support claimants; receipts from the Child Support Agency of payments of maintenance from absent parents for parents with care who are in receipt of income support and repayment of jobseeker's allowance (contribution based) from the National Insurance Fund.

### Part III Extra receipts payable to the Consolidated Fund

	£'000		
In addition to appropriations in aid there are the following estimated receipts:	1999-00	1998-99	1997-98
Miscellaneous Φ	500	500	500

#### Notes:

The following subhead contains provision sought under the sole authority of Part 1 of the Estimate and of the confirming Appropriation Act:

H4 Earnings top up pilot ■

£'000  
31,872

# Housing benefit subsidies, council tax benefit subsidies and administration, payments into the National Insurance Fund and the Social Fund and other grants

## Introduction

1. The Vote covers grants to independent bodies comprising Independent Living, Motability and the British Limbless ex-Servicemen's Association; housing benefit comprising rent rebate subsidies, anti-fraud incentives and fast track payments to new towns; payments to new towns comprising verification framework payments, anti-fraud initiatives and similar administrative measures; administration grants comprising payments to new towns towards costs incurred in administering the housing benefit scheme, sums payable to Motability towards their administrative costs; current grants within AEF comprising Housing Benefit administration and council tax benefit administration; current grants outside the AEF comprising rent rebate, rent allowance and council tax benefit subsidies, anti-fraud incentive and fast track payments; payments of certain discretionary rent allowance subsidies; payments to local authorities comprising of verification framework payments, anti-fraud initiatives and similar administrative measures; sums payable for use for compensation payments to providers of existing supported accommodation; payments into the National Insurance Fund comprising compensation in respect of Statutory Sick Pay and Statutory Maternity Pay; payments to the Social Fund in respect of budgeting and crisis loans, community care grants, maternity and funeral expenses, heating costs in exceptionally cold weather and Winter fuel payments. Costs incurred by the Department of Social Security in making these payments are borne on Class XII, Vote 3.
2. Grants to independent bodies (Section I) includes grant in aid provision for Independent Living (£127,288,000), Motability (£3,614,000), and for the British Limbless ex-Servicemen's Association (£15,000).
3. Explanations of the expenditure contained in the Vote are in Parts 1 and 2 of the Social Security Departmental Report 1999 (Cm 4214). Details of receipts to be appropriated in aid of the Vote are in Table 1a of Cm 4214.
4. The average number of people expected to be receiving housing and council tax benefits at any one time in 1999–2000 is given at Table 6 of Cm 4214.
5. Details of expenditure incurred by the Social Fund are included in Table 1b of Cm 4214.
6. Details of the subsidies payable in respect of housing benefit, council tax benefit and administration costs will be shown in the Income-related Benefits (Subsidy to Authorities) Order 1999.
7. The provision sought for 1999–2000 is 10.1 per cent higher than the final net provision for 1998–99 of £10,322 million and 18.9 per cent higher than the forecast outturn for that year of £9,562 million. A breakdown of the forecast outturn for 1998–99 by individual function is given in Table 1a of Cm 4214.
8. Symbols are explained in the Introduction to this booklet.

# Housing benefit subsidies, council tax benefit subsidies and administration, payments into the National Insurance Fund and the Social Fund and other grants

## Part I

**£11,367,029,000**

Amount required in the year ending 31 March 2000 for expenditure by the Department of Social Security on rent rebate, rent allowance, council tax benefit, community charge benefit, community charge rebate and rate rebate subsidies to housing, billing, levying and local authorities, subsidies towards their costs incurred in administering the housing benefit and/or council tax benefit schemes and sums payable in respect of verification framework, anti-fraud and similar administrative measures; sums payable for use for compensation payments to providers of existing supported accommodation; sums payable to the National Insurance Fund for compensation payments in respect of statutory sick pay and statutory maternity pay; sums payable into the Social Fund for expenditure on maternity expenses, funeral expenses, heating expenses in exceptionally cold weather and Winter fuel payments, and to finance budgeting loans, crisis loans and community care grants; sums payable as grants to Independent Living, as grants to Motability towards their administrative costs and to enable them to assist invalid vehicle users and others to have adapted and/or to purchase or lease cars from them and as grants to the British Limbless ex-Servicemen's Association to enable them to assist certain other disabled vehicle users have cars adapted.

The **Department of Social Security** will account for this Vote.

	£
Net total	11,367,029,000
Allocated in Vote on Account (HC 1134)	4,644,801,000
Balance to complete	6,722,228,000

## Part II Subhead detail

£'000

Direct Expenditure		Grants and transfers					Gross total	Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital							
<b>Departmental expenditure in Departmental Expenditure Limits</b>											
<b>Central government's own expenditure</b>											
<b>★A: Challenge funding and similar administrative measures</b>											
—	10	—	—	—	10	—	<b>10</b>	20	—		
<b>★B: Administration grants</b>											
—	295	—	4,333	—	4,628	191	<b>4,437</b>	5,417	5,139		
<b>★C: Verification Framework</b>											
—	—	—	67	—	67	—	<b>67</b>	37	—		
<b>D: Housing benefit subsidies : New Towns</b>											
—	—	—	100	—	110	10	<b>100</b>	100	-122		

<b>Part II</b>		<b>Subhead detail</b> <i>continued</i>								£'000	
Direct Expenditure			Grants and transfers								
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital	Gross total	Z: Approp- riations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98		
<b>Central government grants to local authorities</b>											
<b>★E: Housing benefit and council tax benefit administration grants (current grants within AEF)</b>											
—	—	—	159,290	—	159,290	—	<b>159,290</b>	155,610	156,274		
<b>★F: Challenge funding and similar administrative measures</b>											
—	—	—	7,490	—	7,490	—	<b>7,490</b>	12,980	14,250		
<b>★G: Verification Framework</b>											
—	—	—	27,933	—	27,933	—	<b>27,933</b>	14,963	—		
<b>H: Housing benefit subsidies and council tax benefit subsidies</b>											
—	—	—	49,500	—	49,500	600	<b>48,900</b>	59,900	62,333		
<i>Funding for LOFIT</i>											
—	—	—	—	—	—	—	—	1,000	907		
<b>Welfare to work expenditure in Departmental Expenditure Limits</b>											
<b>Central government support for local authorities</b>											
<i>Welfare to work: Childcare disregard start-up costs</i>											
—	—	—	—	—	—	—	—	2,500	—		
<b>Main departmental programmes in Annually Managed Expenditure</b>											
<b>Central government's own expenditure</b>											
<b>I: Grants to independent bodies</b>											
—	—	—	132,049	—	132,049	1,132	<b>130,917</b>	129,928	110,671		
<b>J: Housing benefit subsidies: New Towns</b>											
—	—	—	11,818	—	11,818	—	<b>11,818</b>	28,687	29,512		
<i>Compensation payments to private sector landlords</i>											
—	—	—	—	—	—	—	—	100	—		
<b>Central government support for local authorities</b>											
<b>K: Housing benefit subsidies and council tax benefit subsidies (current grants outside AEF)</b>											
—	—	—	9,376,167	—	9,376,167	50	<b>9,376,117</b>	8,869,530	8,142,583		
<b>L: Compensation payments to providers of existing supported accommodation</b>											
—	—	—	2,500	—	2,500	—	<b>2,500</b>	4,900	6		
<b>M: Discretionary rent allowance</b>											
—	—	—	20,000	—	20,000	—	<b>20,000</b>	20,000	18,250		
<b>Other expenditure outside Departmental Expenditure Limits</b>											
<b>N: Payments to the National Insurance Fund</b>											
—	—	—	590,000	—	590,000	2,200	<b>587,800</b>	538,200	1,534,520		
<b>O: Payments to the Social Fund</b>											
—	—	—	202,650	—	202,650	—	<b>202,650</b>	205,680	194,399		
<b>P: Payments to the Social Fund in respect of Winter Fuel bonus</b>											
—	—	—	787,000	—	787,000	—	<b>787,000</b>	190,000	205,000		
<i>Payments to personal and occupational pension schemes</i>											
—	—	—	—	—	—	—	—	82,230	—		
<b>Total</b>	<b>—</b>	<b>305</b>	<b>11,370,907</b>	<b>—</b>	<b>11,371,212</b>	<b>4,183†</b>	<b>11,367,029</b>	<b>10,321,782</b>	<b>10,473,722</b>		
† Amount that may be applied as appropriations in aid in addition to the net total, arising from recoveries of payments from the Department of Social Services (Northern Ireland) towards Motability's car adaptation and			administration costs; receipts from the Tenth Anniversary Trust towards motability's car adaptation costs; recoveries from authorities not achieving baseline targets set in respect of antifraud measures; recoveries from			authorities not achieving targets set in respect of extended payments and from damages payable to recipients of statutory sick pay.					

### Part III                    Extra receipts payable to the Consolidated Fund

	£'000		
In addition to appropriations in aid there are the following estimated receipts:	1999-00	1998-99	1997-98
Grants to independent bodies Φ	15	—	11
Housing Benefits Φ	20	—	99
Challenge funding	800	—	776
Funding for LOFIT	—	—	254
<b>Total</b>	<b>835</b>	<b>—</b>	<b>1,140</b>

*Notes:*

The following subhead contains provision sought under the sole authority of Part 1 of the Estimate and of the confirming Appropriation Act: £'000

L4 Sums payable to local authorities in respect of compensation payments to providers of existing supported accommodation ■ 2,500

# Department of Social Security: administration

## Introduction

1. This Vote covers the cost of administration of social security benefit schemes in Great Britain, including grants to voluntary organisations/local authorities towards the capital and running costs of providing resettlement accommodation and support and certain other services including the Polish Hostel. It also includes the cost of other Departments which act as agents of DSS in administering various aspects of social security, including payments made to the Post Office and National Girobank for the encashment of order books and girocheques. The Vote makes provision for running costs, capital expenditure, and for certain other services. Details of the expenditure are contained in figures 6, 7, 8, 9, 10 and 11 of the Social Security Departmental Report 1999 (Cm 4214). The Department's running costs are controlled gross apart from the Information Technology Services Agency – Product and Service Provision who operate on a net running cost basis. Further details on all Business Units can be found in Part 3 of Cm 4214.
2. The Vote also covers the salary costs of the pensions ombudsman, president, regional chairmen and chairmen of social security appeals tribunals, and the cost of fees (except that part of the president's salary which is borne by the Consolidated Fund), travelling and other expenses of commissioners and referees of the departments' adjudication services.
3. Gross expenditure shown on this Vote includes the costs incurred by the Department of Social Security in administering the benefits payable from the National Insurance Fund. They are reimbursed from the Fund and these receipts are shown as appropriations in aid. Further details of the National Insurance Fund can be found in the report by the Government Actuary on the drafts of the Social Security Benefits Up-rating Order 1999 and the Social Security (Contributions) (Re-rating and National Insurance Fund Payments) Order 1999 (Cm 264).
4. The provision sought for 1999–2000 is 17.5 per cent higher than both the final net provision and the forecast outturn for 1998–99 of £2,044 million. A breakdown of the forecast outturn for 1998–99 by individual function is given at Part 3 of Cm 4214.
5. Further details of appropriations in aid can be found in table 1a of Cm 4214.
6. Administration in Section A includes grant-in-aid provision for the Occupational Pensions Regulatory Authority ♥ (£11,754,000)
7. Symbols are explained in the Introduction to this booklet.

# Department of Social Security: administration

## Part I

**£2,402,660,000**

Amount required in the year ending 31 March 2000 for expenditure by the Department of Social Security on administration, for agency payments, expenditure incurred as part of the Welfare to Work initiative, expenditure on behalf of Department of Health, and for certain other services including grants to local authorities and voluntary organisations and other organisations.

The **Department of Social Security** will account for this Vote.

	£
Net total	2,402,660,000
Allocated in the Vote on Account (HC 1134)	887,549,000
Balance to complete	1,515,111,000

## Part II Subhead detail

£'000

Direct Expenditure		Grants and transfers					Gross total	Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital							
<b>Departmental expenditure in Departmental Expenditure Limits</b>											
<b>Central government's own expenditure</b>											
<b>★A: Administration</b>											
263,225	—	4,652	—	5,129	273,006	65,969	<b>207,037</b>	-26,171	164,097		
<b>★B: Information Technology Services Agency - Product and Service Provision</b>											
65,214	-23,155	6,872	—	—	48,931	73,093	<b>-24,162</b>	-13,517	-13,297		
<b>★C: Information Technology Services Agency - Purchaser</b>											
15,525	—	86	—	—	15,611	1,112	<b>14,499</b>	14,587	15,876		
<b>★D: Benefits Agency</b>											
2,359,009	—	32,872	—	—	2,391,881	440,788	<b>1,951,093</b>	1,800,008	1,742,925		
<b>★E: Child Support Agency</b>											
217,976	—	1,525	—	—	219,501	1,007	<b>218,494</b>	208,086	210,550		
<b>★F: War Pensions Agency</b>											
29,714	—	222	—	—	29,936	1,189	<b>28,747</b>	28,443	33,139		
<i>Contributions Agency</i>											
—	—	—	—	—	—	—	—	3,493	-3,898		
<b>Welfare to Work expenditure in Departmental Expenditure Limits</b>											
<b>Central government's own expenditure</b>											
<b>★G: Administration costs of measures to help unemployed people move from Welfare to Work</b>											
4,200	—	—	—	—	4,200	—	<b>4,200</b>	12,013	4,290		
<b>★H: Administration costs of measures to help people with a disability or long term illness move into or remain in work</b>											
—	—	—	—	—	—	—	—	6,133	50		
<b>★I: Administration costs of measures to help lone parents move from Welfare to Work</b>											
2,672	—	—	—	—	2,672	—	<b>2,672</b>	9,700	—		
<b>★J: Administration costs of child care disregard</b>											
80	—	—	—	—	80	—	<b>80</b>	1,250	—		
<b>Total</b>	<b>2,957,615</b>	<b>-23,155</b>	<b>46,229</b>	<b>—</b>	<b>5,129</b>	<b>2,985,818</b>	<b>583,158†</b>	<b>2,402,660</b>	<b>2,044,025</b>	<b>2,153,732</b>	

† Amount that may be applied as appropriations in aid in addition to the net total, arising from receipts from the National Insurance Fund for the estimated cost of administering NI benefits, receipts from staff for the use of outside facilities, services carried out by Department of Social Security on behalf of public and private sector bodies and members of the public, receipts from third parties for uninsured losses, receipts from staff for private telephone calls and telemessages, recovery of law costs from defendants, receipts from

sales of obsolete machinery, equipment, official vehicles, surplus land, buildings and furniture, amounts collected from residents and visitors to the Polish Hostel, receipts from sub-let accommodation, receipts from the Department for Education & Employment (Training) in respect of Modern Apprenticeships, other departments / organisations in respect of outward secondments, mortgage lenders, recoveries from staff for the administration cost of making attachment of earnings orders, receipts

from staff towards the cost of private use of official vehicles, recoverable VAT, VAT refunds on contracted out services, receipts in respect of the European Fast Stream, allowable and non allowable running cost related receipts for services to other Government Departments and service providers, receipts from applicants for services provided by CSA, and receipts from Department for Education & Employment in respect of New Deal subsidy and training payments.

### Part III Extra receipts payable to the Consolidated Fund

	£'000		
In addition to appropriations in aid there are the following estimated receipts:	1999-00	1998-99	1997-98
1. Administration $\Phi$	10,510	10,510	10,309
2. Headquarters accommodation services $\bullet$	5,000	5,000	—
3. Benefits Agency $\Phi$	3,000	3,000	7,372
<i>Contributions Agency accommodation <math>\bullet</math></i>	—	2,400	—
<b>Total</b>	<b>18,510</b>	<b>20,910</b>	<b>17,681</b>

*Notes:*

The following subheads contain provision sought under sole authority of Part I of the Estimate and of the confirming Appropriation Act:

	£'000
D1 Work incentive measures for low income couples without children and single people. $\blacksquare$	2,610
E1 Compensation payments to persons with care in respect of non enforcement of maintenance arrears. $\blacksquare$	6,700