

Existing Social Fund Provision

The Social Fund has remained largely unchanged for over 20 years. The welfare reforms in April 2012 will see this broken up with the DWP no longer administering Crisis Loans or Community Care Grants and funding for these transferred to Local Authorities.

There are several other parts of the Social Fund - these will stay within the DWP with a revamp based around Universal Credit. These are Budgeting Loans, Cold Weather Payments, funeral Payments & Sure Start Maternity Grants. Crisis Loans needed for delays in the administration of DWP benefits are also staying within the DWP, these are currently classed as 'alignments' and will be replaced with something called Short Term Advances.

Both the Community Care Grants & Crisis Loans are only available to those in receipt of Income Support, Income Related Employment Support Allowance, Income Based Jobseekers Allowance or Guaranteed Pension Credit. Those on similarly low incomes on contribution based benefits are ineligible.

Crisis Loans

A Crisis Loan is an emergency interest free loan, as described in the Social Fund Guide – (<http://dwp.gov.uk/docs/social-fund-guide.pdf>)

Purpose of Crisis Loans

1. *Crisis Loans (CLs) are intended for applicants who are unable to meet their immediate short term needs either in an emergency in relation to some expenses or as a consequence of a disaster.*
2. *Expenses that can be considered whether the need arises from an emergency or a disaster are:*
 - a) *living expenses*
 - b) *rent in advance payable to secure fresh accommodation where the landlord is not a local authority (a crisis loan may also be paid for rent in advance referred to in paragraph 7 below in an emergency or disaster but see also that paragraph about the health or safety conditions)*
 - c) *charges for board and lodging accommodation and residential charges for hostels emergency travel expenses where the applicant is stranded away from home or to meet the cost of repaying emergency credit on a pre-payment meter so the supply of fuel can be restored.*

In practise there are currently two types of Crisis Loan, those for day to day living expenses and those for emergency items & services.

Crisis Loans for items and services are dealt with on an application form. A decision would be made, if successful, an offer of a loan would be issued and would need to be signed & returned before a payment would be issued. The intention is for emergencies as indicated above & the targets applied were for a same day decision. However given that decisions are now made regionally and there is a need for the loan to be agreed to, in writing, this does not happen.

Crisis Loans for day to day living expenses are currently applied for via a national Freephone number – there is currently a significant delay in these calls being answered.. Calls are taken in regional call centres, 'Benefit Delivery Centres'. Previously, pre-Jobcentre Plus, these applications would have been made in person at a local Benefit Office or via telephone to a local Benefit Office.

Each call will then take on average 20 minutes for an application to be taken. If awarded, similar to the items applications, as it is a loan, repayments & the award amount have to be agreed, this can be via a recorded phone conversation or a signed form in the local Jobcentre. Payments would be

made directly to a bank account or where this is not possible the customer can still collect a Girocheque. Historically all payments were made by Girocheque.

The living expense crisis loan has traditionally been considered to be subject to significant abuse and subject to multiple applications from an individual.

This became more of a problem once claims went from local offices to regional call centres as the knowledge of customers was lost and payments were made without investigation.

Changes were made to the Crisis Loan Guidance in April 2011 to combat this, introducing a '3 strikes' system, with no more than 3 awards being made within a 12month period.

Community Care Grants

As the name implies, this is a non-repayable grant –

Purpose of Community Care Grants

1. *Community Care Grants (CCGs) are primarily intended to help vulnerable people live as independent a life as possible in the community. Although Local Authorities (LAs) have the major responsibility for community care, there are many different ways in which CCGs can complement care provided by LAs and by other Government and voluntary agencies*
2. *The aim in considering applications for CCGs should be to ensure that CCGs:*
 - a. *do not take over the role of other agencies*
 - b. *are used in ways which contribute to the overall aims of care in the community*
3. *The prime objectives of CCGs are to:*
 - a. *help people to establish themselves in the community*
 - b. *help people remain in the community*
 - c. *help with the care of a prisoner or young offender on release on temporary licence*
 - d. *ease exceptional pressures on families*
 - e. *help people setting up home as a part of a resettlement programme*
 - f. *assist with certain travelling expenses*

Applications are made via a claim form & decisions made regionally. The average turnaround for a decision in BANES last year was 9days, the target time was 28days. However of the 380 applications made, only 140, 36%, were given an award which would greatly reduce processing times.

These applications tend to be for a large number of household items, for people setting up home. This is the area applications, especially those that are successful, will be assisted by professional 3rd parties, such as Social Services & the Citizens Advice Bureau.

The total number of Crisis Loan & Community Care Grants the DWP received for the BANES area last year was 1490 (this does not include aforementioned 'alignments' which are staying with the DWP).

Of these;

67% (1000) were for Living Expense Crisis Loans

7% (110) for Items Crisis Loans

25% (380) were for Community Care Grants.

83% (830) awarded.

55% (60) awarded.

36% (140) awarded.