



counsel + care   
for older people, their families and carers

guide

## Guide 4:

# The Social Fund: Grants and loans from the state

The Social Fund is money provided by the Government to assist people with unplanned one off expenses which are difficult to meet on a low income. It includes Winter Fuel Payments, Cold Weather Payments, Funeral Payments, Community Care Grants, Crisis Loans, and Budgeting Loans. This guide explains what each grant and loan is for, the eligibility criteria, how it is paid, how to claim it and how to challenge a decision if you are not found to be eligible.

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Your donations, legacies and payroll giving enable Counsel and Care to get the best care and support for older people, their families and carers

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There are differences in the ways each country cares for and supports older people. The information in this guide applies essentially to England, although there may be similarities with countries in the rest of the UK.

We also produce five separate guides for both Scotland and Wales covering the needs assessment process; paying care home fees and making a formal complaint, which are the key areas where the policy and legislation differs significantly from England.

All of the guides we publish may be downloaded from [www.counselandcare.org.uk/advice-and-information](http://www.counselandcare.org.uk/advice-and-information)

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# 1 What is the Social Fund?

The Social Fund is money provided by the Government to assist people with unplanned expenses which are difficult to meet from a low income. The Social Fund is split into two types: the Regulated Social Fund and the Unregulated Social Fund.

The Regulated Social Fund provides money for:

- Cold Weather Payments;
- Winter Fuel Payments;
- Funeral expenses.

The Discretionary Social Fund provides money for:

- Community Care Grants;
- Budgeting Loans;
- Crisis Loans.

The government is planning to change the Social Fund. From April 2013, Community Care Grants and Crisis Loans will be abolished. The funding will be passed to local councils in England and the devolved administrations in Scotland and Wales to establish their own local systems for providing emergency support.

Budgeting Loans will continue to be available until Universal Credit is fully in place. However as people move to receiving a Universal Credit they will have access to a new system of 'Budgeting Advances' which will replace Budgeting Loans.

The Regulated Social Fund will be adapted to become part of the proposed Universal Credit system. The Social Fund Commissioner and Independent Review Service will also be abolished.

## 2 Winter Fuel Payments

### 2.1 Who qualifies?

Winter Fuel Payments are tax-free annual payments made to any household in which there is a pensioner. In line with the planned increase in the state pension age for women, the minimum age at which both men and women will be able to receive a Winter Fuel Payment will rise incrementally to 65 between 2010 and 2018. For the winter of 2012/13, you will qualify if during the qualifying week of 17<sup>th</sup> to 23<sup>rd</sup> September you were born before 5th July 1951. If you are aged 80 or older before the 23<sup>rd</sup> September 2012, you may find that you are entitled to a higher rate of Winter Fuel Payments.

The payment is designed to help with the additional costs of heating and lighting during the winter months, although it does not depend on how cold the weather is. You may qualify to receive a Winter Fuel Payment outside the UK, in one of the countries in the European Economic Area or Switzerland, if you have previously qualified for a payment in the UK.

For more information, please see our guide:

**Health difficulties caused by hot and cold weather** (guide number 26).

### 2.2 Who does not qualify?

You will not be able to get a payment if, during the qualifying week:

- You were in hospital receiving free in-patient treatment and had been receiving this treatment for more than 52 weeks.
- If your live-in partner is receiving Pension Guarantee Credit and receives a Winter Fuel Payment.
- You were in custody serving a sentence during the qualifying week.
- You were subject to immigration control and not eligible for help from the Department for Work and Pensions.

- You are living in a care home or an independent hospital (a hospital not run by the NHS) for the preceding 12 weeks or more, and receive Pension Credit or income-based Jobseeker's Allowance.

### **2.3 How do I receive this payment?**

Most people will receive the Winter Fuel Payment automatically if they are receiving another state benefit. If you do not receive any other state benefits contact the Winter Fuel Payments helpline (tel.: 08459 15 15 15) to obtain a claim form. You only need to claim once and then the payments will be made automatically if you are eligible. Payments are made at different times across the country during November and December 2012. If you have not received your payment by January 2013, contact the Winter Fuel Payments helpline (tel.: 08459 15 15 15).

It is important that you let the pension service know when you change address so that they can update their records. You should also tell the office that deals with your payments if you are leaving the UK.

### **2.4 How much will I receive?**

The payment you receive depends on your individual situation. It can be between £100 and £300 depending on your age, if you receive benefits such as pension Credit, and who else you lives with you. The table on the next page sets out how much Winter Fuel Payment you will receive in the winter of 2012/13.

<b>Do I qualify for a Winter Fuel Payment, and how much do I receive?</b>	<b>Born on or before 5 July 1951</b>	<b>Aged 80 or over on or before 23 September 2012</b>
You live alone or are the only person in the household who qualifies	£200	£300
You live alone or are the only person in the household who qualifies and you receive Pension Credit	£200	£300
You live with another qualifying individual	£100	£200 if you are the only person in the household who is aged 80 or over. £150 if you and at least one other person are aged 80 or over
If your partner or civil partner gets Pension Credit	A single payment of £200 will be made to the person who gets Pension Credit	A single payment of £300 will be made to the person who gets Pension Credit
If both of the following apply: <ul style="list-style-type: none"> <li>• you live in a care home, an independent hospital or Ilford Park Polish Resettlement Home</li> <li>• you don't get Pension Credit</li> </ul>	£100	£150
If both of the following apply: <ul style="list-style-type: none"> <li>• you live in a care home, an independent hospital or Ilford Park Polish Resettlement Home (and have done so for 12 weeks or more before the qualifying week)</li> <li>• you get Pension Credit</li> </ul>	You do not qualify for a Winter Fuel Payment	You do not qualify for a Winter Fuel Payment

If you have not received the correct amount, contact the Winter Fuel Payments helpline (tel.: 08459 15 15 15).

### **3 Cold Weather Payments**

A Cold Weather Payment helps towards your increased heating costs during periods of very cold weather. You will get a tax-free Cold Weather Payment of £25 if the average temperature recorded or forecast within your local area is zero degrees Celsius or below for seven consecutive days between 1 November and 31 March.

To be eligible for a Cold Weather Payment, you or your partner must:

- receive a pensioner or disability premium on your income related Employment Support Allowance, Income Support or Job Seekers Allowance; or
- receive Pension Credit; and
- not be resident in a care home.

You do not need claim a Cold Weather Payment as payments are made automatically. If you have any questions about Cold Weather Payments, you should contact your local Jobcentre Plus office. Contact details of your local office can be found in your local telephone directory, or by looking on the Jobcentre Plus website: [www.jobcentreplus.gov.uk](http://www.jobcentreplus.gov.uk).

Receiving a Cold Weather Payment has no effect on any other benefits you are receiving.

## **4 Help towards the cost of a funeral**

If you are on a low income you can get financial help from the Social Fund towards the cost essential funeral expenses. It does not usually have to be repaid, but if there is any money left from the estate of the person who has died, you may have to use this to repay some or the entire grant. The law says that funeral expenses must be paid before anything else is paid from the estate. The value of a property is not taken into account (as part of the estate) if a partner is occupying it, nor any personal possessions.

### **4.1 Who can claim?**

You can claim a payment if you or your partner are receiving a means tested benefit such as Pension Guarantee Credit, Housing Benefit or Council Tax Benefit.

If you are not receiving one of these benefits when the funeral takes place but become entitled to one of the benefits within 3 months of the funeral taking place, you may still be entitled to a funeral payment. You should make the claim for the funeral payment at the same time as making the claim for the benefit. This is so you do not lose out as a result of the three month time limit.

You must be the person seen as responsible for the cost of the funeral and the person who has died must either have been your partner or a close relative or friend. If you are a close relative or friend, the Social Fund officer will look to see if you are the most appropriate person to take responsibility for the funeral costs and whether there are other close relatives not receiving a qualifying benefit who can pay.

There are restrictions on who can receive payments and how much these will be, so make enquiries before arranging the funeral.

The person who has died must have been a resident in the UK and usually the funeral must take place in the UK.

#### **4.2 What can I claim for?**

The funeral payment can cover:

- Necessary burial or cremation costs
- Certain necessary travel costs
- Up to £700 for other funeral expenses such as a coffin or flowers.

Your savings do not affect your entitlement to a funeral payment, but money available from the estate of the deceased, insurance policies, a pre-paid funeral plan or charitable assistance will be taken into account.

Please note, if you need to apply for a funeral grant towards the costs of a funeral, the funeral grant will only cover basic costs. This is important to keep in mind when arranging the funeral so that the grant covers the actual cost of the funeral and you are not left with a shortfall which you will be left to pay for yourself.

#### **4.3 How do I claim?**

You should claim a funeral payment using form SF200, which is available from your local Jobcentre Plus ([www.jobcentreplus.gov.uk](http://www.jobcentreplus.gov.uk)). Often the funeral director will have a supply of the forms and can advise you about claiming. They may be prepared to wait for payment until you receive your funeral payment. You will need to send the funeral director's bill in with your claim form. This payment will be made directly to the funeral director. You normally need to claim within three months of the funeral, but it is best to confirm this before making any funeral arrangements. If the funeral director's bill has already been paid, they will make a payment to you.

If your claim is turned down or you are unhappy with the decision, you have the right of appeal. An independent tribunal will consider this appeal. It is

useful to get advice from an advice agency, such as Counsel and Care (tel.: 0845 300 7585; [www.counselandcare.org.uk](http://www.counselandcare.org.uk)), or representation from a local advice agency such as your local Citizens Advice Bureau (tel.: 08444 111 444; [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)) or law centre. To locate your nearest law centre, visit the Law Centres Federation website ([www.lawcentres.org.uk](http://www.lawcentres.org.uk)).

## 5 Community Care Grants

Community Care Grants are discretionary payments available to people receiving Pension Credit and do not have to be repaid. The amount you receive will be reduced by any savings you have over £1,000. You can apply to a local Jobcentre Plus for a Community Care Grant. Each local office has a budget to be able to make grants. Contact details of your local Job Centre Plus can be found in your local telephone directory, or by looking on the Jobcentre Plus website: [www.jobcentreplus.gov.uk](http://www.jobcentreplus.gov.uk). If you are dissatisfied with the decision, you can challenge this (see section 8).

### 5.1 Who can claim?

You can apply for a Community Care Grant if you receive Pension Credit. This is paid to you if your income is below the minimum amount the government says that you need to live on.

You must also meet one of the requirements below:

- The grant will help you to stay in your own home rather than go into a care home or hospital by buying certain equipment, for example, a fridge to store your medication.
- The grant will help you in setting up home or returning home after being in hospital, a care home, prison or a hostel, for example, by buying furniture.
- You need to support a prisoner on home leave.
- You need money for certain travel expenses, such as travelling to a funeral, visiting someone who is ill, travelling because of a domestic crisis or you need to move to more suitable accommodation.
- You and your family are under a lot of pressure, and need to purchase necessary items, for example:
  - You are coping with someone with a disability or who is very sick.
  - You have been made homeless or you have had to move and set up a new home because of unsuitable or temporary

accommodation.

- You have been bereaved of a close family relative.
- Your relationship has broken down, particularly if there was domestic violence involved and you needed to move to a place of safety.

(Note that a couple will be counted as a family.)

## **5.2 How much money will I receive?**

There is no maximum amount of money you can ask for. However, you cannot receive a grant of less than £30 unless it is for travel or daily living expenses. It is important to show that the grant is for items that will help you to remain living at home or will ease the pressure on you. Any award you receive will be reduced by any capital or savings that you or your partner have over £1000 if you or your partner are over 60 (or over £500 for those under 60). If you receive a Community Care Grant there is no effect on any other benefits you receive.

You may receive a Community Care Grant for items that help you to cope at home. This could include furniture, a washing machine, cooker, bedding, beds, minor structural repairs, carpets, clothes, removal costs or travel expenses. Assistance is not available for holidays, respite care, help at home, medical expenses, most debts or telephone installation.

## **5.3 How do I apply?**

You need to obtain form SF300 from your local Jobcentre Plus. The contact details of your local office can be found in your telephone directory, or by looking on the Jobcentre Plus website: [www.jobcentreplus.gov.uk](http://www.jobcentreplus.gov.uk).

Whatever items you apply for, it is important to explain how they will help you. For example, it is not enough just to say you need a fridge, you will have to explain how it would help you to remain living at home. For example, if you rely on someone who shops for you once a week or you have medication that

needs to be stored in a cold place, you should emphasise this to show how important it is for you to have a fridge.

When you complete the form, it is important to emphasise any difficulties, stresses or health problems you have which might support your claim. If you have a social worker, home care worker or doctor it may be useful to ask them to provide a supporting letter. It may also speed up your claim if you send in estimates of the cost of large items.

It may be a good idea to seek support from an organisation, such as your local Citizen's Advice Bureau (tel.: 08444 111 444; [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)) or Age UK or Age Concern (tel.: 0800 00 99 66; [www.ageuk.org.uk](http://www.ageuk.org.uk)) to help you to complete the form.

#### **5.4 The decision**

The Social Fund officer will look at your application and send you a written decision within 28 days. You may be given the whole amount you ask for or you may be given a smaller amount. You will need to make arrangements to have the Community Care Grant paid into a bank or post office account. If you are not happy with the decision you can ask for it to be reviewed (see section 8).

#### **Examples**

- Mrs Pink was 88 and had recently been widowed. Her cooker was broken and her home had no heating. This meant she could not prepare hot food and her house was cold, which in the long term may have made her ill or unable to remain in her own home. Mrs Pink was awarded a £400 Community Care Grant to buy a cooker and electric heaters.
- Mr Ali was 66. He was in hospital for 6 months following a long illness. He was due to leave hospital to move into a sheltered flat because he could no longer live with his family. He was given a grant of £1,200 to buy furniture, carpets and kitchen equipment for his new home.

## 6 Budgeting Loans

Budgeting loans are interest free loans intended to help with one-off large expenses which are difficult to budget for if you are on a fixed income. If you are refused a Community Care Grant you may be awarded a Budgeting Loan which you will need to repay from your benefits each week. To receive a Budgeting Loan you must be eligible for Pension Credit and have been receiving it for the previous 26 weeks (unless you are moving out of institutional care).

Some people receiving benefits find that Budgeting Loans are a useful way of spreading the cost of large items especially as there is no interest charged on the loan.

In deciding whether you can be awarded a Budgeting Loan the Social Fund decision-maker will look at the time you have been on benefits, the people you live with and any previous Social Fund loans.

### 6.1 How much loan can I receive?

The maximum Budgeting Loan you can receive is £1,500 and the minimum is £100. The most you can owe the Social Fund at any one time is £1,500 (including both a Budgeting Loan and a Crisis Loan – see section 2.3). You may be refused a loan if you already have one outstanding. Any award you receive will be reduced by any capital or savings that you or your partner have above £2,000 if you or your partner are over 60 (or £1,000 if neither you are or your partner are over 60).

The repayment of the loan will normally be set for 104 weeks and will be set at 5%, 10% or 12% of your Pension Credit, depending on any other debts or repayments that you have to make. Decisions about repayment are not subject to review.

## **6.2 How do I apply?**

To apply for a Budgeting Loan you must complete a form SF500 obtained from your local Jobcentre Plus office ([www.jobcentreplus.gov.uk](http://www.jobcentreplus.gov.uk)) or by contacting the Pension Service (tel.: 0845 60 60 265).

## **6.3 What can I claim for?**

Budgeting Loans can be claimed for similar items as a Community Care Grant, for example, furniture, household equipment, clothing and footwear, removal costs, home improvements or maintenance.

## **7 Crisis Loans**

Crisis loans are discretionary interest free loans which may be granted if you have emergency needs or experience a disaster, such as a fire or flood, and the loan is needed to prevent serious damage or risk to your health and safety. Crisis Loans can be claimed by anyone, regardless of whether they are in receipt of benefits. The Social Fund decision-maker will take into account your income and savings and whether there are alternative sources of financial assistance.

There is no set amount for a Crisis Loan. The amount you may be able to borrow will depend on your individual circumstances, any savings you have, and whether or not you have any outstanding loans from the Social Fund.

A Crisis Loan cannot be made if you have already applied for a Crisis Loan or a Community Care Grant for the same item or service during the previous 12 months.

Crisis Loans are repaid in the same way as Budgeting Loans.

### **7.1 How do I apply?**

To apply for a Crisis Loan you must complete form SF401 for day to day living expenses; form SF401R for rent in advance, board and lodging accommodation and residential charges for hostels; and form SF300 for items and services in the event of a disaster. You can obtain copies of these forms from your local Jobcentre Plus office ([www.jobcentreplus.gov.uk](http://www.jobcentreplus.gov.uk)), or by telephoning the Pension Service (tel.: 0845 60 60 265).

## 8 Challenging decisions

If you are unhappy with the result of your claim for a Community Care Grant, Budgeting Loan or Crisis Loan, you can ask for a review of the decision. Many people are awarded a grant after the Social Fund officer at your local Job Centre Plus has looked at the decision again. It is helpful to get assistance from an advice service, such as a local Citizen's Advice Bureau. You can find your local office details in your local telephone directory or on their website: [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk).

To request a review you need to write to the Social Fund review officer within 28 days of the date of the decision, or within one month for a funeral payment. In the letter you should explain as fully as possible why you disagree with the decision. It is also useful at this stage to send in further evidence to support your application. You can also ask for a review over the telephone.

If the Social Fund review officer cannot change the decision in your favour, he or she should invite you for a review interview or arrange one in your home. At this interview you can explain why you disagree and why you need the grant. You can request to have a representative, such as a CAB advice worker, relative or friend at the review interview with you. After this interview, the Social Fund review officer will make a revised decision and it will be sent to you in writing. There is no deadline in which this decision has to be made.

If you are still not satisfied with the decision, you can ask for a further review by an independent Review Officer inspector by writing to the address you received the decision from. You have 28 days within which to request this. The independent Review Officer will look at your case and will decide whether the decision was correct. They can change the decision and award you a payment.

### **8.1 If you have been refused help from the Social Fund**

Some older people cannot get help from the Social Fund because they do not meet the eligibility criteria. If you are not entitled to get help, you should consider applying for help from charities. For more information on help from charities, see our guide:

**Grants from charities for people on a low income** (guide number 21).

This factsheet is not a full explanation of the law and is aimed at people aged over 60

The Counsel and Care service is now part of Independent Age. Independent Age is the operating name of the Royal United Kingdom Beneficent Association.

Registered address: 6 Avonmore Road, London W14 8RL

Registered charity number 210729

Tel.: **0845 300 7585**

Email: **[advice@counselandcare.org.uk](mailto:advice@counselandcare.org.uk)**

Website: **[www.counselandcare.org.uk](http://www.counselandcare.org.uk)**

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