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*irs*

Independent Review Service  
*for the Social Fund*

*the*  
**J***ournal*  
*and*  
*digest of decisions*

● Changes to the Social Fund Scheme

Guide to the Independent Review Service

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The next issue of *the irs journal* will include articles on customer service.

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## editor's letter

Thank you to everyone who responded to the questionnaire sent out with the last copy of *the irs journal*. From your comments we have decided, whenever possible, not to split articles and to change the colour of the digest's pages so that they may be photocopied more easily. A full analysis of the survey has been started and we will incorporate as many of the other suggestions as we can.

This journal focuses on the changes we have made to adapt to the new Social Fund scheme. It covers some of the issues that, so far, have proved to be challenging. There is also an update of what we are doing externally. The *digest of decisions* follows the theme of the journal and shows example cases with difficult issues following the scheme change. We have also added our current view on maternity expenses. This has been reached after obtaining legal opinion. I hope you find the articles and cases informative and useful.

The digest editorial team includes volunteer individuals from the Benefits Agency and from welfare rights organisations. From time to time people move on and are unable to continue offering their help. Therefore, I would like to hear from any of you who would be interested in taking on this role. You can contact me either by letter at the address shown on the cover, by telephone on 0121-606 2110, or by e-mail at [le@irssf.gov.uk](mailto:le@irssf.gov.uk).

Once again, thank you for your comments. I look forward to those prompted by this issue.



# the new bl decision

By *Lis Martin*, a Social Fund Inspector

The IRS had known for some time before 5 April, 1999, that the Department of Social Security planned to simplify the processes by which Budgeting Loans are awarded. Changes to the Social Fund scheme appeared in the Social Security Act 1998. These removed the requirement for Decision Makers to have regard to all the circumstances of the case when determining Budgeting Loans. The "nature, extent and urgency of the need" was effectively replaced by "such of the applicant's circumstances as are of a description specified in directions issued by the Secretary of State". The Act will also transfer decisionmaking from Social Fund Officers to the Secretary of State and will permit decisions to be made by a computer.

It could be seen that the scheme would be based on a limited range of circumstances, and it would be one that could be computerised.

The IRS received advance copies of the new directions and guidance towards the end of December 1998. We were able to examine these and develop our understanding of how the scheme would work. Devoid of any detail it is like this:

- Providing the applicants are eligible, and have applied for one of the permitted categories of expenses, they may be considered for a Budgeting Loan.
- Set values are attributed to the number of people in the applicants' household, and to the length of time they have received qualifying benefits up to a maximum of three years. Taking into account the Area Decision

Maker's Guidance produces a monetary value for each applicant, known as the "maximum amount".

- From that amount is deducted twice the amount of any Budgeting Loans the applicant already owes.
- If no Budgeting Loan is then possible, the process is repeated using an expanded set of circumstances, if applicable. These include other people sharing the applicant's home and time during which other benefits (Family Credit, Housing Benefit and Council Tax Benefit) have been in payment. An existing Budgeting Loan debt may also be treated differently in certain circumstances.
- To any potential Budgeting Loan, other directions governing capital, overall maximum debt and the likelihood of repayment are applied.

But, this is obviously not the whole story. The detail is provided by thirteen directions to Decision Makers governing how awards will be made, and a further ten directions about reviews, including two addressed to Social Fund Inspectors. There are over 2,000 words in the new directions 50 to 53, dealing with how award are made. Simple, computerised operation does not necessarily mean simple law!

The Social Fund Inspector's statutory duties require a sound understanding of the law that impacts on our decisions. We have grown adept at mastering quite complex legal issues. But, the most

significant feature of the new scheme is that it is based on numerical calculations. Our Budgeting Loan decisions must combine proper attention to the facts and law governing the outcome - including the arithmetic.

As a mental process, this is no more complex than deciding a Community Care Grant or Crisis Loan. Explaining the decision in a clear, cogent way that also addresses the applicant's particular concerns might be another matter. And so it proved to be. After a couple of experiments, it quickly became clear that our usual narrative approach to explaining an Inspector's decision would not work. Including the arithmetic in the narrative produced mind-numbing sentences. Even relatively simple cases resulted in labyrinthine explanations. Decisions written in this style would simply not meet the standards of clarity and effective communication for which the IRS aims.

So, how were Social Fund Inspectors to explain our decisions to our customers? If the familiar style could not be used, what could we do in its place?

We had a brainstorming session: People won't understand.... They're too complicated.... We cannot compromise our aim to fully explain the decision.... It's the arithmetic that's the problem.... Get the sums out of the way!.... Keep it simple.... Think of familiar communications that have numbers in them..... Utility bills!

The idea of using utility bills as a model began to take shape. The decision could be in two parts. The first part could be a letter giving the outcome of the decision, a brief explanation of the scheme and could address any issues raised by the Decision Maker's decision or by the applicant. The arithmetic could be confined to a second part set out in a tabular format.

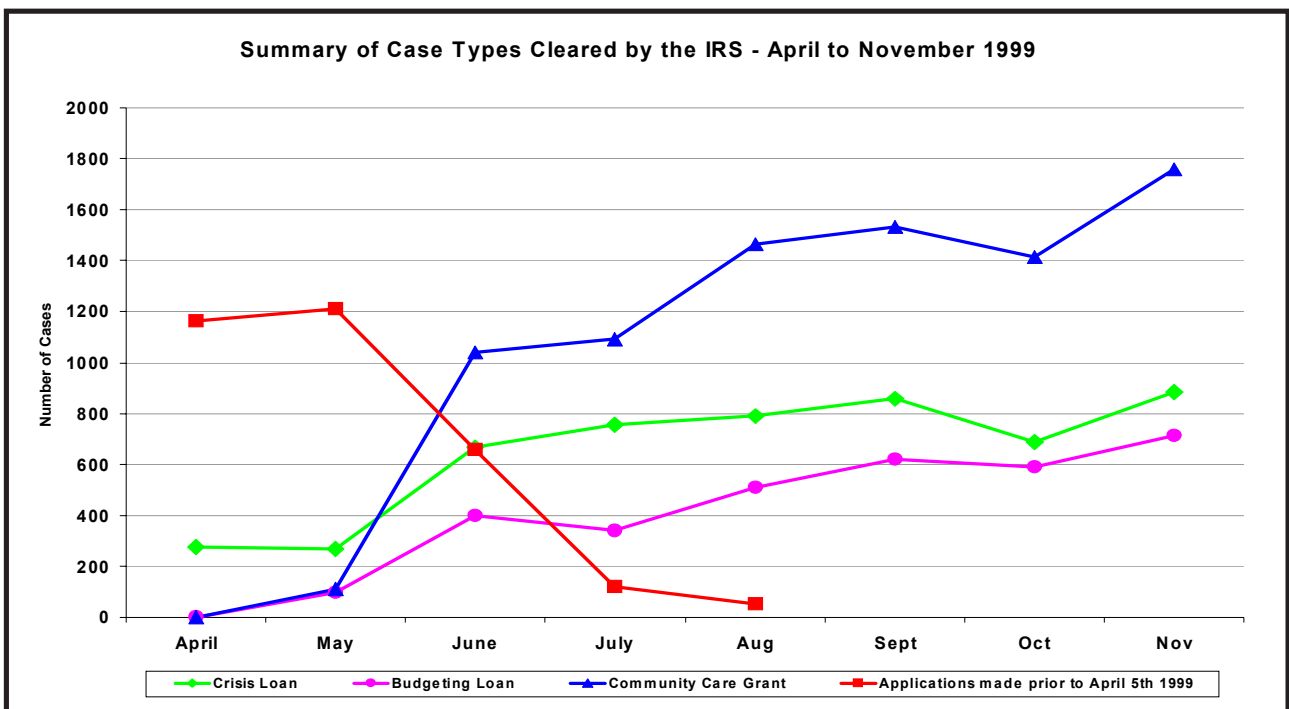
Although a limited number of elements form the arithmetical part of the process, Budgeting Loans are not quite as straightforward as a gas bill. The way the directions impact on the applicant's case must still be explained. But the explanation of the directions could be kept to a minimum, focusing on their effect rather than repeating their language. This could be shown on one side of a table, with the way the particular applicant is affected by them shown on the other side.

This is the way Social Fund Inspectors' decisions on Budgeting Loans are delivered at present. We feel the format meets our aims to communicate effectively and clearly in a way that is relatively easy for the recipient to understand. And the rather mechanistic approach to the calculations is moderated because the letter allows a more personal response to the applicant's particular concerns.

We think the letters work well, and have been encouraged by feedback. One from a Decision Maker has told us he uses the model to explain the scheme, and some Review Officers are adopting a very similar template for their decisions.

But, this will not be the end of the story. The IRS continually strives to improve the way we deliver our decisions to our customers. Some amendments have already been made to the early drafts as our understanding of the scheme develops. We shall continue to refine the text as issues present themselves. And, we plan to seek the views of applicants and their representatives on how easy they find the format of the decision to understand. *irs*

Summary of Case Types Cleared by the IRS - April to November 1999



# *direction 49*

*Gill Collinge, of the IRS Research & Development Team, describes the discussion points provided by Direction 49*

**T**he introduction of the simplified Social Fund scheme in April 1999 saw for the first time a separate application form for each part of the Fund. The intention is for applicants to be able to access sufficient information or assistance to know from which part of the fund they want to apply for assistance. There are, therefore, separate forms on which to apply for a Community Care Grant, Crisis Loan and Budgeting Loan.

On receipt of a form, or a letter, applying to the Social Fund, it is for the Secretary of State to decide to which part of the Fund the application is being made. This means that if the Secretary of State decides the application is for a Budgeting Loan, then neither the decision maker in the Local Office, or the Social Fund Inspector, can determine the application other than for a Budgeting Loan. If a loan is refused, or an award not made in full, there is no provision for the application to be determined as a Community Care Grant or Crisis Loan. Furthermore, there is no right of review against the Secretary of State's decision to treat the application as a Budgeting Loan application.

If the Secretary of State decides an application is for a Community Care Grant or a Crisis Loan, then it must initially be determined in this way. However, direction 49 provides an opportunity for the decision maker, or Social Fund Inspector, to treat the application as if it were to the other part of the fund (Community Care Grant or Crisis Loan). It does not extend

to allowing an application for a Community Care Grant or Crisis Loan to be treated as an application for a Budgeting Loan.

Direction 49 provides a discretionary power. There is no requirement for the decision maker, or Social Fund Inspector, to automatically determine the application for the other part of the Fund in every case. However, the decision not to exercise discretion under direction 49 is subject to review. If discretion has not been properly exercised the decision will not have been correctly reached.

## **Practical Effect**

The practical effect of this direction is that consideration has to be given to the other part of the Fund in order to decide whether or not to exercise discretion under direction 49. The test in the direction refers to an award appearing appropriate. This is not the same as only when an award will be made.

It is helpful to think of this as a two-stage process. First of all the circumstances have to be looked at to see if there is anything to put the decision maker on notice that the 'other' payment may be appropriate. If there is not then the decision maker or Inspector need go no further. If the decision maker is on notice, then the application should be treated as if it were made to the 'other' part of the Fund and a determination has to be completed in full.

An example of a case to answer may be where an applicant not in receipt of a qualifying benefit is seeking to furnish their new home. The applicant requests a

Community Care Grant, but the decision maker cannot award that because the applicant does not satisfy the eligibility requirements in direction 25. Nevertheless, there is an urgency about the situation and it involves important needs. A Crisis Loan is the only option available to the applicant to have these needs considered. This suggests the Inspector is on notice to consider whether expenses are needed in an emergency. It may be appropriate to exercise discretion in this case and treat the application as if it were for a Crisis Loan.

If, on the same scenario, the applicant already had a Social Fund debt of £1000, then a Crisis Loan cannot be awarded. It is, therefore, not necessary to exercise discretion in this case to treat the application as if it were for a Crisis Loan.

It is important to remember there is still the provision for a Community Care Grant to be considered for living expenses where applicants cannot have a Crisis Loan because they owe £1000. Also, for a Crisis Loan to be considered for rent in advance for prisoners satisfying direction 4(a)(i).

## **Repeat Applications**

If an applicant applies for a Crisis Loan and is refused and then follows this up with a Community Care Grant application for the same needs, the latter may be treated as a repeat application. This means the decision maker may refuse to determine it. However, the decision maker can look again at exercising discretion under direction 49 on the first application to treat it as if made to the other part of the Fund (Community Care

Grant) and allow a full determination to take place. Alternatively, the applicant could be advised to seek a review of the earlier Crisis Loan decision.

### **Difficulties for Inspectors**

It is not always clear from the text of a decision whether the decision maker in the local office is recording his considerations of whether to exercise discretion under direction 49, or has actually treated the application as if it were to the other part of the Fund and is recording his determination. Examples include; "direction 3 is not appropriate in this case as the expenses are not needed in an emergency", or "refusal will not

cause a serious risk to health or safety".

Recently, a Social Fund Bulletin was issued to local Benefits Agency offices with advice on how to record with more clarity whether the decision was not to exercise discretion under direction 49, or to refuse an award having treated the application as if it were to the other part of the fund.

A decision on whether or not to use direction 49 to consider the 'other' payment is subject to review, including review by a Social Fund Inspector. If the reviewing officer has used direction 49 to consider the 'other' payment when it was

not appropriate to do so, the Inspector is likely only to consider the payment originally applied for. On the other hand, the Inspector may use direction 49 to consider the 'other' payment, although the Decision Maker and Reviewing Officer did not.

Direction 49 enables the right decision to be given without the applicant being required to complete another application form. It benefits applicants who may not have been able to decide to which part of the fund they want to apply. It also enables the problem of repeat applications, direction 7, to be overcome in a common sense manner. *irs*

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# *area decision maker's guidance*

*by Gill Collinge, of the IRS Research & Development Team*

**T**he introduction of the simplified Budgeting Loan scheme in April 1999, saw decisions made on specified factual criteria (number of people in a household and time on benefits). The concept of high, medium and low priorities based on the nature, extent and urgency of the need no longer exists. However, there is still the requirement for the Area Decision Maker to issue guidance. Expenditure still has to be planned, reviewed monthly and revised if necessary, and the allocation cannot be overspent (directions 40, 41 and 42). The IRS continues to expect Area Decision Maker Guidance to be signed by the Area Decision Maker and for it to be signed on or before the date it becomes effective.

The content of the Area Decision Maker's Guidance is now very different. Direction 41 actually

requires the Area Decision Maker to issue guidance which specifies the maximum amount available to each Budgeting Loan applicant to be taken into account when determining Budgeting Loans. Literally taken, this could mean a document the size of a phone book listing every Budgeting Loan applicant in the District. In practice the guidance gives a cash figure relating to a single person on benefit for six months. Guidance for individual applicants is taken from this. In the Local Office, the computer system (SFCS) holds and applies the Area Decision Maker's Guidance at the appropriate stage of the automated decision making process.

It is important for decision makers to remember that they must take account of guidance issued by the Area Decision Maker. However, to apply Area Decision

Maker Guidance automatically in every case is to give it a higher status than required. It is guidance and does not have the force of directions.

The tension is the balance between an automated process and an exercise of discretion. Introducing a new scheme with new aims was likely to raise issues in the first few months. One of the main issues faced so far by Inspectors, is a change in Area Decision Maker's Guidance which reduces the maximum available loan. For example, this may have been explained by an overspend which, if allowed to continue, could mean the District allocation is spent before the end of the allocation period.

Review directions provide for account to be taken of any relevant

changes in the state of the relevant allocation and Area Decision Maker's Guidance that have occurred between the date of the original determination and the date of review. This does not mean that where changes in Area Decision Maker's Guidance have occurred the up to date guidance will always be used. It is a matter for the decision maker on review to decide how to take account of the guidance. On occasions it will be more appropriate to use guidance other than the most current. For example, in determining a Budgeting Loan application the Decision Maker makes an error in the number of people in the household. The outcome of the (incorrect) calculation is that no award can be made. On review,

the error is corrected. However, the Area Decision Maker's Guidance has reduced the maximum available loan and, at the time of the decision on review the use of the updated guidance would mean no award could be made. In this case, it may be more appropriate to use the Area Decision Maker's Guidance in issue at the time of the original decision. This simply means the applicant has now had the outcome they would have had if the application had been correctly determined at the outset. It is unlikely to be an appropriate outcome where the error is corrected, but the award that should have been made is reduced or removed because of the effect of the Area Decision Maker's Guidance.

In another scenario, an Inspector can conclude there is no lawful guidance available to be taken into account. This may be where only a threshold figure is issued. In these circumstances, the application can be determined with reference to the amount applied for - Section 140 and directions 9,10 and 11.

The IRS is aware that the Benefits Agency's computer system (SFCS) actually uses a figure referred to as a "threshold" in calculating an applicant's maximum available loan. This produces the same outcome in monetary terms. However, only issuing a District threshold figure to be taken account of as Area Decision Maker's Guidance, does not meet the requirements of the legislation. *irs*

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## *nacab agm and conference*

*by Caroline Ricketts, of the Social Fund Commissioner's Business*

**T**he Social Fund Commissioner was invited to address the diamond jubilee conference of the National Association of Citizens Advice Bureaux held at York University. In the event, the Commissioner was unable to attend, but the Business Team was able to participate in the conference exhibition in order to raise awareness of the IRS review.

The IRS remains committed to raising awareness of the review with other organisations which provide services to citizens.

The Social Fund Commissioner is keen to test and develop methods of communication. The IRS had an exhibition stand for the three days of the conference in the exhibition hall, adjacent to the conference centre. The many exhibitors included, among others, the Royal

National Institute for Deaf People, the Employment Service, the Benefits Agency, the Press Complaints Commission, Legal Action Group, Community Network, National Family Mediation and the Public Sector Ombudsman. We were sited between Child Poverty Action Group, the Personal Investment Authority, Paypoint and the Plain English Campaign.

The Conference was for the 1,500 Citizens Advice Bureaux (CAB) delegates from England and Wales and had a packed daily agenda. There were daily discussion forums (for example, Proposed Rural Bureaux Network), theme meetings (racism and implications of the MacPherson Report for the CAB Service, social exclusion, health and inequality, joined up government), a plenary meeting on the development of a national

Community Legal Service, numerous fringe meetings (including the Stephen Lawrence Inquiry Report, what happens in family mediation, Rural Stress Information Network, Independent Tribunal Service, Justice for Women, Giving e-mail advice, and Using the IRS) and a CABNET village complete with CyberAdviser.

We invited delegates to our fringe meeting, and throughout the three days talked to delegates and exhibitors. We had a range of written materials (Annual Report, Journals, Newsletter, Advice Notes, Workshop notes) from our existing portfolio of documents to distribute to delegates and other exhibitors. We were thanked for being there, for our independence, for the speed of our review service and invited to attend NACAB's conference in 2000. *irs*

# *streamlining decisions*

*Kevan Hands traces the history of the way Inspectors write decisions*

In March 1988, the IRS (then known as the Office of the Social Fund Inspectors) was formed. Its role was to provide an independent review on decisions relating to the discretionary part of the Social Fund. The first decisions were issued in May 1988.

As a young, and indeed novel, organisation in the way reviews were to be tackled, the first decisions were by necessity lengthy and included detailed explanations with regard to legal and technical issues. Guidance was issued to Social Fund Inspectors, provided by the office appointed legal adviser. This was based on a thorough listing (in the form of accepted facts) of the relevant information. By then, following a regimented process, the answer would be revealed at the conclusion of the process. The process comprised an examination of the local office decision including:

- eligibility;
- qualification for certain types of Social Fund awards;
- a discretionary examination of priority;
- a possible award.

As the Inspector's review was normally the end of the review process and the next step involved seeking a judicial review through the courts, it was not until February 1990 that the first judicial reviews on Inspectors' decisions were undertaken. These judgements gave the IRS its first "case law". However, this initially led to more legalistic based decision making as Inspectors became more mindful of the possible judicial review challenge. Decisions remained

lengthy, with little change in the technical and legal content. With subsequent judicial reviews being heard on varying issues, the findings were grafted onto the existing decision making process. Over a period of time it was recognised that the decisions being produced were becoming unwieldy. Some could run to nine or ten pages. The decision was hard for the lay person to read and understand and more to do with being "judicial review proof".

This situation led to the organisation reconsidering the decision process. Working parties were set up to develop a new approach to the delivery of Inspectors' decisions, including the content and actual presentation of the decision letter. This included using plain language and the need to concentrate on the essential issues involved. All Inspectors underwent retraining in these new delivery of decision principles. The successful result was a shorter, more focused decision that was designed to meet the customer's needs and expectations. With minor adjustments, this has been the template from which decisions have been delivered since this re-evaluation.

Throughout the history of the organisation, the actual intake of work has increased. Although the cost of a review is now around 66 percent less than in 1988, it was recognised that an unexpected rise in intake would be difficult for the organisation to manage. Therefore, in January 1998, a working party was set up with a brief to develop a plan for periods when the work available significantly exceeded

the staff resources to meet it. The working party was to report with recommendations for a shorter, quicker decision that concentrated on the essential issues. In addition, the decision letter needed to be produced economically, with the available computer system being used for decision letter preparation.

In August 1998, the working party produced a Contingency Plan which recommended no change to the actual review process being undertaken by the Inspectors. The change concerned the content of the decision letter and ultimate presentation. Since the first review decisions were issued in 1988, the established format was that a list of accepted facts would always be included in the decision letter. The only exception to this were decisions that were referred back to the local office for further action. This was one area looked at for streamlining, as the facts being included were only a reproduction of the evidence provided, in the main, by the applicant.

It was decided to remove the list of facts from streamlined decisions, but include relevant facts within the reasoning of the decision issues. Other changes included removing over technical explanations which dealt with the legal tests being applied and focusing the decision on the essential issues. These essential issues being those on which the decision turned and those raised by the applicant. Such an approach enabled the decision to be more customer focused in that the issues important to the applicant would be central to the decision reasoning. Being a shorter decision

it was important that the reasoning was clear, concise and focused. This also added to the clarity of the decision being delivered.

By October 1998, the recommendations of the Working Party Report had been agreed and the arrangements put in place. The arrangements concentrated on Community Care Grant decisions, as it was known the Budgeting Loan scheme was to change from April 1999 and that those decisions would be presented in a new and unique way. The Contingency Plan

of 29,278 by June 1999 (a 25 percent increase).

Due to this increase, the decision was taken to implement the Contingency Plan. From June 1999, a selected team of Inspectors who had worked on the Contingency Plan working party, started issuing streamlined decisions.

A selection process was put in place to identify cases that would be suitable for the streamlined decision. Cases that required detailed explanations, or con-

decisions that are consistent, clear, expeditious and cost effective. This is in step with the IRS Quality Definition. The organisation has, therefore, taken the principle of a streamlined decision forward and has added it to the options available to the Inspectors when delivering reviews. All Inspectors have received training in the presentation of a streamlined decision, together with how the computer systems can be used to aid the presentation.

As experience is gained by the Inspectors, a greater number of

Streamlined Decisions			
	CCG decisions issued	Streamlined	% Streamlined
June	1672	255	15.25%
July	1234	103	8.35%
August	1536	920	59.90%
September	1550	1133	73.10%

(CCG = Community Care Grant)

Note: There was a higher number "streamlined" in June than July because the Working Party members concentrated on these cases to help ease the large intake of work.

was agreed and filed. At that time, there was no real expectation that the plan would need to be put into effect in the foreseeable future.

From 5 April 1999, the Social Fund scheme was changed so that the three possible awards (Community Care Grants, Budgeting Loans and Crisis Loans) were applied for separately. Previously, the three types of award could be considered on one application form. Although advice concerning the most appropriate type of award was provided by the Benefits Agency, multiple applications were received. This resulted in a dramatic increase in the number of applications being made to the Social Fund and, in turn, an unprecedented increase in review requests being made to the IRS. An intake of 1,856 in April 1999, which had an annual equivalent of 23,386, increased to an annual equivalent

tained very technical issues, were not put forward for the streamlining process. However, as experience on producing streamlined decisions was gained, it became clear that the majority of cases could benefit from a concise and focused approach.

The streamlined decision was initially designed to provide an aid to dealing with large, unanticipated, intakes of work. Following the case work completed in June by the working party members, it became clear the approach had wider ranging advantages. Inspectors across the organisation were, therefore, progressively included in the production of streamlined cases. As more streamlined cases were issued, it was seen that this work resulted in less post decision correspondence. It was recognised that the streamlined approach was a quality product that could deliver

decisions are being produced under the streamlined arrangements.

The figures, above, show that as the Inspectors have become more experienced in delivering streamlined decisions, the percentage prepared under these arrangements has increased. Coupled with this our enquiry/complaints team (the Customer Service Team) has seen no increase in queries with regard to the change in decision presentation, which indicates that customers' expectations are being met by this new approach.

The IRS is conducting a survey of customers' views of the new decision letters and questionnaires are to be issued with decisions, explaining the change in presentation. This is in line with the IRS aim to be an open, listening, organisation that actively seeks the views of its customers. *irs*

# points from the irs postbag

*Sheila Rhodes, of the IRS Customer Service Team, takes another look at some of the issues raised in the IRS postbag*

## Effects of new scheme

Mrs A applied for a Community Care Grant, which was refused by a Reviewing Officer. The decision was, subsequently, upheld by an Inspector and Mrs A complained that the Inspector had not considered awarding her a Budgeting Loan.

*Mrs A's application for a Community Care Grant had been made after the changes to the Social Fund scheme came into effect in April 1999. It was, therefore, only possible for the Inspector to consider a Community Care Grant or a Crisis Loan, but not a Budgeting Loan. This is because Budgeting Loan applications now have to be made, and determined, separately.*

\*\*\*\*\*

Mr P applied for a Community Care Grant and was awarded £350 by an Inspector. However, he received only £50. The Benefits Agency had deducted £300 because a Budgeting Loan had been paid for the same item on a separate application and this was a way of recovering the loan.

*The Customer Service Team arranged for the full grant of £350 to be paid to Mr P. Now that Budgeting Loans are an entirely separate part of the scheme, it is not possible to convert a loan to a grant and pay only the balance as a grant.*

\*\*\*\*\*

A letter was received from Ms M who was disappointed with the outcome of her Budgeting Loan application. She had applied for £179 to buy household items and

the Reviewing Officer decided that no loan could be paid. This decision was confirmed by an Inspector and Ms P complained to the Customer Service Team. She explained that she and her family urgently needed replacement beds and bedding. She offered to supply medical evidence in support of her application.

*An Inspector on the Customer Service Team looked into the complaint but was unable to change the decision. Under the new scheme, decisions on Budgeting Loans have to be based on certain factors. Usually these will include the number of people in the household, the length of time the applicant has been receiving benefit and the amount of any outstanding Budgeting Loan debt. The information is used to calculate whether an award can be made, taking account of guidance issued by the Area Decision Maker on the amount that his district can pay out. In addition, factors such as the nature, extent and urgency of the need no longer have an influence on the decision where the application is for a Budgeting Loan.*

*In this particular case, the applicant's outstanding debt was too high for a loan to be possible. Even though there was a compelling need, a loan had to be refused.*

\*\*\*\*\*

Mr R needed to furnish and decorate his home. He was unhappy because he had been refused a Budgeting Loan by a Social Fund Inspector and wrote to the IRS.

*An Inspector on the Customer Service Team looked into Mr R's complaint but was unable to change the decision because Mr R was not eligible for a Budgeting Loan. It is still a requirement that a qualifying benefit has been in payment for 26 weeks at the date the application is determined. Qualifying benefits are income support and income-based Jobseekers Allowance.*

*Although the Inspector could not change the decision in Mr R's case, she was able to tell him that he would shortly become eligible for a Budgeting Loan and he could then make a new application.*

## After the review

Before Inspectors review applications for Community Care Grants or non-urgent crisis loans, applicants (or their representatives) are sent copies of the papers for their case. They are invited to comment on the papers and they have the opportunity to put forward any further information which they want the Inspector to take into account. A deadline is given for receipt of comments.

Sometimes, comments are received after the Inspector has completed the review and issued the decision. This might be because of a postal delay or because the applicant has been ill and unable to deal with correspondence.

Where comments are received too late to be included in the review, the Customer Service Team will look at the decision, along with the comments and consider whether the case should be re-opened. If there is new information affecting the decision, then a further review may be possible. *irs*

# *the arithmetic section of the irs budgeting loan letter*

**irs**

## SOCIAL FUND INSPECTOR'S DECISION

Name: *Mr A*

REF: ----/-----

DATE: *January 2000*

**These are the matters that must be considered.**

The number of people in the applicant's household.

The length of time the applicant has received a qualifying benefit (Income Support or income-based Job Seekers Allowance) and other specified benefits (Council Tax Benefit, Family Credit, Working Families Tax Credit and Housing Benefit).

The amount the applicant already owes in budgeting loans.

The guidance the Area Decision Maker (ADM) has issued.

**This is how they apply to *Mr A's* case.**

*Mr A's* household contains *himself, his wife and one son, his eldest daughter and her son.*

*Mr A* has received qualifying and other specified benefit for at least 36 months.

*Mr A* owes £550 in budgeting loans.

The ADM for the *Anytown* district has suggested that for a single person who has received qualifying benefits for the minimum period of 6 months, the largest budgeting loan available would be £299.60

**Different family sizes and times on benefit are taken into account. The effect of the directions is that:**

**A** The applicant is equal to 1. To this is added 1/3 for a partner 2/3 for the first child 1/3 for each younger child 1/3 for other adults sharing the home.

<i>Mr A</i> is equal to	1
<i>Mrs A</i> adds	1/3
<i>Son age 14</i> adds	2/3
<i>Daughter</i> adds	1/3
<i>A son</i> adds	1/3
<b>The total (A) is</b>	<b>2 2/3</b>

**B** The minimum period that can be counted is 6 months and is equal to 1. Each extra month adds 1/60 up to 30/60 (1/2). The maximum period that can be counted is three years and is equal to 1 1/2

6 months = 1	1
the remaining 30 months = 30/60	1/2
<b>The total (B) is</b>	<b>1 1/2</b>

**C** The amount suggested in the ADM's guidance is multiplied to take account of the people in **A** and the time in **B**.

299.60 x 2 2/3 (A) x 1 1/2 (B) = **£1198.54**

**D** This applicant's maximum possible loan is

**£1198.54**

**Note: Different methods of applying the calculations may result in small variations**

**E** The amount the applicant can have depends on how much he already owes in budgeting loans.

£550 x 2 = **£1100**

Twice the amount he already owes is taken into account.

**F** This amount is taken off the applicant's maximum possible loan

£1198.54 (D) - £1100 (E) = **£98.54**

**The maximum I can award this applicant is**

**£98.54**



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*for the Social Fund*

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