

the Journal

and the Digest of Decisions

Issue 35 Autumn/Winter 2006

Crisis Loan
from the
Social Fund

Inside:
Amounts, access and research



INVESTOR IN PEOPLE

irs

Independent Review Service
for the Social Fund

CONTENTS

Autumn/Winter 2006

One	_____	News
Two	_____	How much? Looking at the amounts of awards
Five	_____	Social Fund Research Report
Eight	_____	Accessing Crisis Loans
Eleven	_____	Community Care Grant Myths

EDITOR'S LETTER

Welcome to Journal 35.

In this edition we have covered the recent research into the Social Fund, conducted by the Joseph Rowntree Foundation. To find out more about this research and the conclusions reached please read the article on page five.

I would also draw your attention to the article on page eleven. Following the success of the "crisis loan myths" article in the last journal, we have this time given community care grants the same treatment. I hope you find this useful. Please feel free to reproduce this article for your own use. If you plan to copy the article please do not alter or amend the text, and ensure the whole article is used.

As usual please contact me if you have any feedback on the content of the journal or if you have any suggestions for future editions.



Natalie Penrose

Staff:

Editor: Natalie Penrose **Editorial team, Journal:** Natalie Penrose, *Lis Martin*, Ann Greenshields, *Linzi Cooke*, Lindsay Isaacs (Citizens Advice Scotland)

Editorial team, Digest: *Richard Prendergast*, Helen Crowton, *Samantha Mellalieu*, Rob Jenkins (Welfare Rights), *Mark Greveson* (Welfare Rights), John Wheatley (Welfare Rights), *Gaynor Powell* (Jobcentre Plus)

Production team: Chris Fields, *Brian Sigley*, Justine Bird, *Richard Prendergast*

Contributions and letters to:

The Editor, The Journal, 4th Floor Centre City Podium, 5 Hill Street, Birmingham B5 4UB. **Phone:** 0121 606 2111. **Fax:** 0121 606 2180.

eMail: np@irs-review.org.uk **Find the IRS on the internet at:** www.irs-review.org.uk

Copyright

This publication and the articles within are Copyright: The Independent Review Service for the Social Fund 2006. You can copy or distribute sections for personal or in-house use without our permission, but we reserve all other rights.

IRS Workshops for Jobcentre Plus Staff

Social Fund delivery is currently going through substantial operational change. Many benefit delivery offices therefore have Social Fund staff with a range of training needs.

For a number of years we have presented workshops to Jobcentre Plus staff around the country. We consistently receive very positive feedback from attendees.

Tailored training at new centralised sites

We offer a range of tailored training. We can deliver a range of workshops for between 8 – 15 members of staff. We can tailor the workshops so that they are suitable for either experienced or new staff. If you would like IRS trainers to come to you and deliver training please contact **Natalie Penrose** on **0121 606 2111**, np@irs-review.org.uk or **Kim Larkin** on **0121 606 2119**, kml@irs-review.org.uk

Training based at IRS

If you are unable to get a group of 8 people together the alternative is to send your staff to workshops held at the IRS. We hold a range of training at the IRS. This includes:

- Social Fund overviews for staff new to the Social Fund
- Technical workshops on specific parts of Social Fund law
- Workshops for Reviewing Officers
- Workshops for Social Fund Managers.

The workshops last for a full day (10.00am – 4.00pm) and are held at the IRS in Birmingham city centre, only minutes away from New Street Station.

More details are on our website at www.irs-review.org.uk Queries about bookings for workshops at IRS should be directed to **Linzi Cooke** on **0121 606 2191**.

Your Feedback Matters

The IRS deals with over 20,000 cases from across Great Britain each year. This puts us in a unique position to feedback to the Jobcentre Plus on trends and common areas of difficulty.

To help improve front-line standards we provide formal feedback to managers working in Jobcentre Plus and also provide a range of training and support for Decision Makers.

We include in our feedback to Jobcentre Plus any information we gather on the problems customers face when accessing the Social Fund. Some examples of common types of feedback are:

- **Did the Jobcentre Plus provide helpful information about applying to the Fund?**
- **Was it easy to apply to the Social Fund? e.g. were application forms easy to obtain? Were you able to get through on the phone to make a crisis loan application**
- **Did you experience any delays?**
- **Was the review process easy to follow?**
- **Were the decisions you received from Jobcentre Plus easy to understand?**
- **What was your experience of the Inspector's review?**

To help us gather information on the customer's experience the Social Fund Commissioner holds regular meetings with advisors and representatives across Great Britain throughout the year. This is an opportunity to talk to the Commissioner directly about the issues that impact on you and your clients.

If you would be interested in attending a meeting of this type or if you have feedback that you would like us to raise on your behalf please contact **Richard Plant** on **0121 606 2222**.

A hand holding a 20 Euro banknote over a document. The background is a blue-tinted image of a hand holding a 20 Euro banknote over a document. The text is overlaid on this image.

How much?

Looking at the amounts of awards

Past Journals have featured the topic of how to decide the amount to award as a community care grant for an item or service. However, as this element of decision making is still causing problems Lis Martin has provided an update.

Why is the amount an issue?

Community care grants are paid from a limited budget. Decision makers have an express duty to control and manage their budgets to give precedence to high priority needs. Expenditure on individual items has a bearing on the number of awards that can be made. Looking critically at how much to award in each case is a legitimate way to ensure the largest possible number of high priority needs are met.

When does the amount become an issue?

The cost of the item or service plays no part in deciding how important an award would be in that particular person's circumstances, or on whether an award for that level of need is appropriate from the district's budget. By the time he considers how much to award, the decision maker must already have considered qualification and priority and decided that he will make a payment. It follows that decision makers consider the amount to award right at the end of the decision making process.

Sensible amounts

Many items can be bought for a range of prices,

any of which may provide an item of serviceable quality. Some have design features that add a lot to the cost but little or nothing to functionality. Their price is based on desirability, rather than usefulness or durability. For this reason, a sensible amount will probably fall in the middle-to-lower rather than the higher end of the price range.

In many cases the applicant will have asked for an amount within this price band to buy a durable item that is suitable for him. In that case, the amount should be accepted as the basis for the right amount to award. However, if the amount is unrealistically high, or low, then the decision maker may substitute a more realistic value for the item.

Budget constraints

Decision makers must strike the right balance between the applicant's request and targeting the available money appropriately. To ensure the budget lasts for each complete financial year not all qualifying applications can be paid. Each area of the country sets out the level of priority that can consistently be met throughout the year. Typically most districts can meet only high priority needs

throughout the year. Only a very small of districts can meet medium priority needs.

If the district's budget is under pressure, decision makers may look critically at the amounts they can

Expenditure on individual items has a bearing on the number of awards that can be made

award. It may be right to award less than requested, even if the applicant's estimate of cost is a realistic one. Paying lower amounts when appropriate may be preferable to restricting the general level of need the budget is able to meet. Or, if the budget is not able to meet all high priority needs, lower awards may be necessary so that the largest number of high priority needs can be met.

Deciding how much to award

The amount must be sufficient to meet the applicant's need in a way that is suitable in his case. Decision makers should make a rational assessment of the individual's circumstances and the features of the item in question.

Where the amount suggested is at the high end of the price range, this means looking at what the individual needs, as distinct from what he would like, and deciding where the line between the two falls. Ultimately, in some people's circumstances the high cost may be the right one.

Example One

Mrs A's need to buy a washing machine and tumble dryer qualify for payment and are high priority because she has to wash and dry her disabled son's clothing and bedding several times a day.

The right amount to award will be an amount sufficient for a machine with a high spin speed to get the laundry as dry as possible. Otherwise, the cost of using the tumble dryer could be excessive and the whole process would take longer. She would need a large enough tumble dryer to cope effectively with the full washing load. The washing machine might cost a little more than one with a slower speed and the larger tumble dryer more than a smaller one.

However, were the applicant the lone parent of one small child, and the need for the washing machine were related to her inability to hand wash because of a skin condition on her hands, a cheaper machine with a slower spin speed might be more appropriate.

Example Two

Mr B has six children. He and his wife both have disabilities and have severe mobility problems. Their fridge/ freezer has broken down and Mr and Mrs B are having great difficulty shopping daily for his large family. The decision maker decides that the need for a fridge/freezer qualifies for a community care grant and is high priority because he and his wife are disabilities.

The award should be enough for a fridge/freezer of sufficient capacity to store enough food for the family between shopping trips. This would be the right amount, even though although a smaller appliance would be cheaper.

However, were the applicant a single person, a large capacity fridge/freezer would be unnecessary and uneconomical.

Example Three

Mr C is a single man. His need for a bed qualifies and is high priority because he is setting up home as part of a planned resettlement programme. He is 6' 2" tall and weighs 16 stone. He has had back problems for many years.

The award should be sufficient to buy a double bed with an "orthopaedic" (firm) mattress, as Mr C has requested. It might cost a little more than a smaller bed with a softer mattress. But, the applicant is unlikely to be able to sleep comfortably in a single bed, and the firmer mattress will be suitable in view of his back problems.

However, if Mr C had asked for £1500 for a top-of-the-range, "orthopaedic" bed with a soft-top, coil sprung mattress the decision maker might reasonably find that the special features would not significantly affect the suitability of the bed for Mr C's needs, and that a cheaper bed would be appropriate.

Even if the budget is under pressure, decision makers should not be tempted routinely to award the same amount for an item in all cases. In particular, decision makers should avoid always awarding the lowest amount for which an item is available. Awarding too little can be counter-productive: it may not adequately achieve the intention of meeting the aims of direction 4; poor quality or second hand goods may not last, engendering a further application fairly quickly.

Delivery, installation and fitting

A household item the applicant needs will be of no use to him unless it is in his home fulfilling its intended function.

Large items will have to be delivered to the applicant's home and electrical appliances may need to be installed by a qualified person (it is illegal for an unqualified person to connect an appliance to the gas supply and some electrical connections also need an expert fitter). An applicant who needs floor covering because of a medical condition is unlikely to be able to fit it himself - it is a difficult job for a fit person.

Many suppliers make a charge for delivery and only a few include installation in the purchase price of white goods. There is almost always a separate charge for fitting floor covering. These charges should generally be included in the amount awarded.

When assessing the appropriateness of amounts, the decision maker should bear in mind that the applicant may have quoted the whole cost of having the item fulfilling its intended function in his home, rather than showing delivery etc. as a separate expense.

Example

Miss P applies for £220 for a cooker. The Decision Maker decides that Miss P qualifies for a grant and that this need is high priority and should be paid. Miss P's area is paying all high priority needs. In order to consistently pay high priority needs they are reducing amounts to the lower end of high street prices.

Cookers can be obtained more cheaply than £220. The very cheapest cookers are currently around £140. However, with delivery and installation the cost rises to just above £200. In this case if the Decision Maker is minded to reduce the amount to less than £220 he should first check whether this price includes delivery and installation. If so, the requested amount is at the lower end of the price range.

Proving it

Evidence must support every element of every decision. The burden of proof lies with the person making the assertion. The onus is therefore on the applicant to show what a suitable item would cost. He can do this by selecting any price, even the highest, from the wide range for which most goods are available.

However, where the decision maker chooses a different price, it is his job to prove, on the balance of probability:

- that the amount is enough to provide an alternative that is also suitable in the applicant's circumstances;
- that the goods are readily available for the price; and
- the state of the budget where this has impacted on the decision.

Unless the existing evidence shows that an alternative would be suitable, the decision maker would need to ask the applicant about the specific item he had in mind. He would need information about any features that are particularly important to the applicant and the suitability of any alternative he has in mind. The evidence should support any conclusion the decision maker has made about delivery or installation costs.

National outlets such as Argos, Comet, Currys and Carpetright, with stores throughout the UK, can provide a useful guide to prices for which goods are available and is reliable evidence of cost. Even so, decision makers should bear in mind the practicalities if an applicant, by reason of location or the need for a specialised item, cannot use retailers like these.

Where the applicant does not seem to have made any allowance for the cost of delivery and fitting, but it seems likely that such charges would apply, then enquiries may be appropriate.

Where the amount the applicant requested was realistic, but the decision maker awards less because the budget is unlikely to be enough for all high priority needs, then he should provide sufficient evidence about expenditure from the budget to support his conclusion.

Where to find out more

Visit our website at www.irs-review.org.uk to see the Social Fund Commissioner's advice on this subject. The website also contains useful information about the training and support that the IRS can provide.

If you would like more information about booking training from the IRS or if you have any queries about anything in the article please call [Linzi Cooke](tel:01216062191) on 0121 606 2191 or [Lis Martin](tel:01216062204) on 0121 606 2204.

Centre of Research in Social Policy - Social Fund Research Report



The Joseph Rowntree Foundation recently published a research report **The Social Fund: Current role and future direction**. The research was funded by the Joseph Rowntree Foundation and undertaken by Kate Legge, Yvette Hartfree, Bruce Stafford, Monica Magadi, Jacqueline Beckhelling, Line Nyhagen Predelli and Sue Middleton of the Centre for Research in Social Policy (CRSP) at Loughborough University.

Ann Greenshields tells us more

Background

The discretionary Social Fund was introduced in 1988 to replace the regulated system of single payments. It consists of community care grants budgeting loans and crisis loans. Community care grants are non-repayable and are intended to meet a need for community care; budgeting loans are interest free loans intended to defray an intermittent expense and crisis loans are also interest free and are intended to meet an immediate short term need in an emergency or, as a consequence of a disaster.

It is some time since the last in-depth research was undertaken to evaluate the extent to which the Social Fund was meeting its objectives. Huby and Dix undertook that research, which was commissioned by DSS (now DWP) and published in 1992. Government policy on social security provision has moved on since then, as have the objectives for the Social Fund. The Social Fund is currently described as one part of the Government's strategy for reducing poverty and social exclusion. Although budgeting loans were reformed significantly in 1999 and further changes were made to them in April 2006, community care grants and crisis loans have remained largely unchanged since their inception. This raises the question of what contribution the discretionary Social Fund is making to current Government objectives.

The Social Fund Commissioner suggested the time was ripe for a further in-depth examination of the Social Fund to identify how well it was doing in meeting its current objectives, particularly the extent to which it contributes to the wider objectives on reducing poverty and social exclusion. The Centre for Research in Social Policy took on the project

with funding from the Joseph Rowntree Foundation with the following aims:

- To explore what contribution the discretionary Social Fund makes to reducing poverty and social exclusion;
- To assess whether proposals for changes to the discretionary Social Fund are likely to further government objectives of combating poverty and social exclusion;
- To produce policy recommendations for reform of the discretionary Social Fund based on the experiences, reflections and deliberations of both eligible and non-eligible groups that will contribute to government objectives of combating poverty and social exclusion.

The research comprised three strands – a short literature review of existing proposals for reform of the fund; a secondary analysis of the Family Resources Survey and the Expenditure and Food Survey, supplemented by Department for Work and Pensions administrative data; and qualitative research through a series of focus groups.

Secondary Analysis

The secondary analysis revealed that:

- The people most likely to receive help from the fund are families with dependent children; people with disabilities; and people living in accommodation rented from a social landlord.
- Those least likely to receive an award are pensioners and ethnic minority groups.

Focus Groups

The qualitative research was undertaken in three stages. The first stage involved 11 focus groups comprised of successful and unsuccessful applicants and, eligible people who had not used the Social Fund. Participants were from a variety of household types and age groups and involved people from both rural and urban areas. This first round of focus groups explored the strategies people in low-income households use to deal with times of particular financial hardship, their preferred source of funding and experiences of using the Social Fund. The findings from these groups included the following:

- Most people found it difficult to meet certain needs from their benefit such as the cost of clothing, school trips, replacing household items and buying gifts.
- A few reported that they managed reasonably well, but could not afford luxuries such as day trips.
- Participants used strategies such as shopping at discount stores, buying supermarket economy brands and buying cheaper items of food.
- The cost of living was said to be higher for those living in rural areas, for example, because of the lack of economy brand shops and the costs of getting to such shops.
- The Social Fund was one of the main sources of help for people along with, savings, help from family, commercial loans, catalogues and charities.
- Some participants were satisfied with the help they had received from the Social Fund but most were not. Their applications were refused, or they were given only a partial award, or the repayment level for loans was too high. People were critical of the time taken to deal with their applications.
- Commonly people felt that moving into work would make them financially worse off.

The second round of focus groups sought the views of people in different income brackets. There were two groups of benefit recipients that had taken part in stage one, a group of people in low paid work, a group of people on middle to high incomes and a

mixed group of people on low to high incomes. This stage of the research explored the types of needs or events that should receive government help; whether those needs should be met by loan or grant; and the method of providing such help.

Those involved in the second stage focus groups had differing views about the types of needs that should attract government help. Most, however, agreed that government should help with household items, holidays for families, Christmas, fuel costs, TV license, school uniform, school trips and transport. The groups also felt that eligibility should be extended to people receiving other benefits, such as incapacity benefit, and to people in low paid work.

Although the groups identified people and circumstances that should attract priority for payment, they felt strongly that it should be “circumstances every single time” rather than categories of people that was paramount in prioritising where help should be given.

The stage three focus groups brought together representatives from those who took part in the first and second stage groups. This group considered options for reform of the Social Fund, including options identified from the literature review. A grant scheme was generally favoured, although concerns were expressed about the costs involved. Although there were concerns about providing a loans system, because of the potential that repayments could lead to poverty, overall the group supported the principle of recycling the money. Interest free loans were seen as a welcome alternative to loan sharks and it was felt they would encourage responsibility and self-respect. Some ideas that emerged were as follows:

- Discount shops or catalogues exclusively available to benefit recipients, with government using its purchasing power to ensure items are available at a reduced rate.
- A government home contents insurance scheme, with the insurance premium being deducted from benefit which should be increased to meet the extra cost.
- A programme of financial education for school children.
- All groups favoured a voucher scheme which they considered would likely lead to an award

of the full amount needed, ensure awards were spent as intended and would reduce non-genuine claims.

- A government savings scheme for low income families, which provides a higher interest rate

Overall the groups favoured a system which encompassed, regular grants, life event grants and a loans scheme.

Researchers' Conclusions and Recommendations

The researchers concluded that the Social Fund in its present form can help some people on a low income with expenses that they could not otherwise meet from their regular income and reduces material deprivation for those who receive an award. Overall, however, they concluded that the contribution to reducing poverty was limited. Awards of loans rather than grants increased hardship because the repayments reduced income.

The researchers recommended some changes to improve the existing scheme. In particular:

- Quicker processing times
- Lower and negotiable loan repayment terms
- More publicity about the review process and quicker processing
- More information about the Social Fund

In the longer term, the researchers recommended replacement of the existing discretionary scheme with five types of award:

- Regular winter grants to help people meet additional winter expense such as fuel bills or Christmas presents (estimated cost - £875.6 million)
- Regular start of school grant (estimated cost - £176.7 million)
- Essential items grant (estimated cost - £29.5 million)
- Interest free loans to encourage social inclusion (estimated cost - £32 million)
- Crisis loans to assist in emergencies

(estimated cost - £13.9 million).

The researchers further recommended that the above grants and loans should be available to people on any type of benefit and to those in low paid work defined as "in receipt of working tax credit.

The Future of the Fund

The Government has made clear its intention to reform the Social Fund. In his 2005/2006 Annual Report on the Social Fund the Secretary of State for Work and Pensions, John Hutton said:

"In the longer term we need to find ways for the Social Fund to contribute more effectively to wider financial inclusion initiatives by doing more to encourage personal financial responsibility and to equip people to move out of welfare dependency. As an initial step, as announced in the Pre-Budget Report 2005, we are looking at ways of providing budgeting loan applicants with information about opportunities for financial education and advice.

We also continue to keep key aspects of Social Fund policy under review to ensure its compatibility with the modern environment in which the Fund is delivered."

The recommendations from this research, if implemented, would represent a significant cost to the tax payer and so the potential outcomes need to be reasonably certain. Further debate is needed to engage Ministers, officials and citizens to develop detailed proposals for reform and to consider how best the Fund can support and contribute to Government policy. The views of the participants in this research, together with the recommendations, provide some interesting ideas and will no doubt stimulate further debate.

Huby and Dix concluded in 1992 that: *'The challenge for the future is to continue the search for a realistic, manageable, and fundable policy which will meet the needs of vulnerable people in a timely, efficient and just manner.'*

That sentiment remains true today.

The full report of the research The Social Fund: Current Role and Future Direction was published in June and launched at an event in London on 1 June 2006. The report can be found on www.jrf.org.uk



Accessing Crisis Loans

Lindsay Issacs, Social Policy Officer, Citizens Advice Scotland writes about the problems clients are having making applications for this type of payment

In 2004/05, Citizens Advice Bureau (CAB) offices across Scotland dealt with over 8,500 new enquiries relating to the social fund, including crisis loans. Case evidence relating to crisis loans paints a detailed picture of the sorts of issues that CAB clients are experiencing. Our key concerns are:

- Problems with the telephone application process
- The impact this has in terms of financial hardship and stress
- Further deterioration caused by the DWP's ongoing re-organisation

The Telephone Application Process

The majority of crisis loans issues brought to bureaux stem from problems with the relatively new system of telephone applications, and Citizens Advice Scotland (CAS) has previously produced a briefing devoted to this subject. The fundamental problem is that, despite trying for hours at a time, clients cannot access the service because the phone lines are constantly engaged. A number of clients who do eventually get through report being 'bounced' back in the queue or cut off entirely. Bureau advisers face similar barriers in accessing the service, and are consequently unable to resolve their clients' problems. This also places additional pressures on limited bureau resources such as telephone lines and interview rooms.

An East of Scotland CAB reports of a client who started off in position eight in the queue. When she finally got to the front of the queue, she was then bounced back to position seven and had to wait all over again.

A South of Scotland CAB reports of a client waiting payment of jobseeker's allowance. He had been trying to make a phone application for a crisis loan for two days, but could not get through. The CAB adviser tried repeatedly to get through, to no avail.

Although phone applications are not mandatory, many clients report that they are told by DWP staff that this is the only acceptable or available method of application. In some cases, paper applications are offered, but clients are informed that they will be treated as 'less urgent'. The pressure to make applications by telephone is particularly problematic for clients who do not have easy access to a phone. Some report spending hours trying from public phones, whilst others come and use phone lines in bureaux. Another group of clients only have access to mobile phones – using the pay-as-you-go service as a budgeting tool - which can make calling 0800 numbers prohibitively expensive. In some cases, clients have had to wait in the call queue for so long that they have run out of credit. For other groups of particularly vulnerable clients, telephone applications are simply not suitable – however, case evidence shows that more appropriate

alternatives are not always offered.

An East of Scotland CAB reports of a client who had been trying for days to access the crisis loan line. She has no landline and cannot afford to make the call from a mobile. She has therefore had to use a public phone box, and has frequently had to hang up to allow other members of the public to use the phone.



An East of Scotland CAB reports of a client with suicidal tendencies who had been recently discharged from psychiatric hospital. The nursing staff had lodged a paper claim for IB before his discharge, but when he presented at the JCP office, they stated it had not been received and he would have to start a new claim. They gave him a new form and sent him to the CAB for help completing it and told him to use a public phone to claim a crisis loan as he had no money, food or electricity. The client did not speak English as a first language and felt unable to do this, and arrived at the bureau very distressed. The adviser spent 45 minutes trying the crisis loan help line, but could not get through. After much follow up work, the CAB ensured that the client received some food vouchers from the social work department.

The Impact – Severe Financial Hardship and Stress

Difficulties with applications ultimately result in restricted access to emergency funds. The impact of this can be disastrous, leading to severe

financial hardship and significant stress amongst a client group that is, by its very nature, already vulnerable.

A North of Scotland CAB reports of a client who was a single parent with two sons, living in bed and breakfast accommodation. Her overdraft had swallowed up her wages, leaving her destitute. She had tried to obtain a crisis loan by contacting the claim line, but was unable to get through and was very distressed.

A South of Scotland CAB reports of a client who had been trying for two days to access the crisis loan phone line. He had no money to live on. The CAB contacted a local charity who gave the client £10.

A South of Scotland CAB reports of a client who had been recently discharged from hospital. He had had no food, heating or money since coming home, and his benefit claim had been delayed. He could not access the crisis loan application line, and came to the bureau in a very depressed and suicidal frame of mind

Further Deterioration Caused by DWP Re-organisation

Centralisation of Jobcentre Plus services, office closures and loss of frontline staff have exacerbated these problems. A key issue reported

‘The majority of crisis loan issues brought to bureaux stem from problems with the relatively new system of telephone applications’

by bureaux is the increase in the length of time taken to process benefit claims and get them into payment, resulting in more people needing access to emergency crisis loan payments to tide them over. Additional need has led to additional problems, and bureaux are seeing an increasing number of destitute clients for whom they have to arrange emergency social work payments and charity food parcels. The impact is also felt by bureaux themselves, as they try to respond to an increased demand for their services. These clients require a room, phone line and adviser - often for some time due to difficulties getting through – and

this puts pressure on limited resources.

An East of Scotland CAB reports of a client whose application for jobseeker's allowance had been delayed. Meanwhile, she had no money and had not eaten for two days. She had no landline and no credit left on her mobile. The bureau gave her access to a phone for over half an hour, but she could not get through.

A West of Scotland CAB reports of a client who had been waiting five weeks for her husband's jobseeker's allowance claim to be processed. The bureau adviser eventually managed to secure her a crisis loan, but notes that it had taken all day and numerous calls and faxes to secure a result.

CAS Calls for Change

Crisis loans are intended to help people facing an emergency or disaster. Case evidence, however, shows that instead of providing a form of support, the current system of crisis loans is resulting in increased financial hardship and stress for this already vulnerable group. This is a problem that needs to be addressed urgently, and CAS calls for:

- Improved provision of alternative systems for making crisis loan applications
- Increased resources allocated to the telephone service, including more phone lines and more staff
- Dedicated phone lines for CAB advisers to access the application system on behalf of clients

If you are experiencing problems accessing crisis loans please tell us. We may be able to help.

Contact **Richard Plant** either by;

Phone: **0121 606 2222** or;

Email: **rpp@irs-review.org.uk**

You can also tell us about your Social Fund Experience via our website at:

www.irs-review.org.uk

Accessing Crisis Loans In Scotland

Response from Jobcentre Plus

Jobcentre Plus is working hard to improve the service it provides to all its Social Fund customers and particularly those who need a Crisis Loan (CL). Jobcentre Plus is sorry to hear that the service offered to those customers referred to by Lindsay Issacs fell short of acceptable standards.

It is important to put reports of poor service in the context of the huge volumes of Crisis Loan applications processed by Jobcentre Plus. During 2005/06 in Scotland, 224,000 Crisis Loans were paid to customers when they first applied. Many of our customers have told us they welcome the opportunity to apply for a Crisis Loan by telephone. Whilst this does not excuse the poor service offered to some customers it does tell us that we are moving in the right direction. Indeed, performance figures for Scotland show that we are meeting ministerial targets for all aspects of Social Fund. The option of making an application for a CL in person at our local Jobcentre Plus offices already exists, what we have to do is make that option more readily available to customers unable to make a telephone application.

Jobcentre Plus is in the process of transforming the way services are delivered. This includes moving benefit processing, including Social Fund, into Benefit Delivery Centres (BDCs). To support the transition to BDCs a Standard Operating Model (SOM) is being designed which will cover the options available for accessing a CL. The SOM will also provide a more consistent and more efficient service for our customers regardless of how or where they access the system. Part of the design includes the provision of improved telephony to support the new process and enable more of our customers to apply for a CL via a freephone number.

Jobcentre Plus is going through a period of considerable change but we remain fully committed to improving the service that we deliver to all of our customers and are actively seeking ways to do so.



Community Care Grants myths

In the last Journal edition we looked at Crisis Loans, and how some myths have grown up about when an applicant may or not be eligible for a payment.

In this edition **Linzi Cooke** gives community care grants the same treatment – read on to discover if community care grants work in the way that you thought they did...

Myth

There is a limit on the number of grant applications that an individual can make. For example, sometimes applicants and advisors think that only one community care grant application can be made per tenancy or that only one application every six months can be made.

Fact

There is no limit on the number of applications for grants or loans that an applicant can make. Everyone has the right to make a Social Fund application at any time.

No part of Social Fund legislation prevents a person making more than one application when they are still at the same tenancy.

There is a piece of legislation that is relevant to repeat applications within a 6 month period. For grants and crisis loans, Direction 7 does prevent a decision maker from considering an application if it is made within 26 weeks of previous application for the same item or service. However, this bar does not apply if there has been a relevant change of circumstances since the first application was made.

Myth

You can only have £150 for a new cooker.

Fact

There is no set amount that should be awarded for any particular item. Once the decision maker has decided that an item is high enough priority for a payment to be made, he should award the applicant an amount that is enough to meet that need. Generally, the applicant's estimate of the amount he needs should be accepted if it is appropriate.

There may be occasions, however, when the district budget is under pressure, and it is necessary to pay less than the applicant has asked for. On these occasions, the award made should still be sufficient to meet the applicant's needs, for example, to buy a new item of serviceable quality. The amount that is sufficient to meet the applicant's needs will depend on the individual circumstances of the case. For example, someone with a back problem who needs an eye level grill on his cooker may not be able to get one for £150, so an award of this amount for a cooker would not meet his needs. The article on page two has more information about this subject.



Myth

When local office Social Fund budgets are under pressure, applicants can only get payments for cookers and beds.

Fact

There are no set items that are always paid or refused. Offices should never have lists of items that they routinely pay or routinely refuse. Each case must be decided on its individual merits.

When making a decision, before looking at the budget the decision maker will first look at the priority of the applicant's needs; that is, how important each item is to the applicant in his particular circumstances.

Only after the applicant's needs have been assessed to judge their urgency and importance should the decision maker look at the budget to see how much money is available. If the budget is under pressure, then it may be that only the most important of the applicant's needs can be paid.

Districts will aim to meet a consistent level of priority needs throughout the financial year. However, while this priority range may be consistent, for example, meeting all high priority needs, the items that reach this level will differ from applicant to applicant, depending entirely on the applicant's own individual circumstances. Beds and cookers may often fall into the high priority range because of the urgency of the need for these items in some cases, but this will not necessarily be the case for all applicants.

Myth

Only high priority needs can be met from any budget in the country.

Fact

Each Jobcentre Plus district is allocated annually a portion of the total budget for community care grants. The allocations made to districts have to last throughout the financial year. More important needs are given higher priority for payment than less important needs, and are more likely to be met by way of a community care grant.

The directions require that Decision Makers:

- must control and manage their budgets so that they can give priority to high priority needs for community care grants (**Direction 40**); and
- must not make an award that exceeds the budget allocation (**Direction 42**).

In recent years districts have found it increasingly difficult to meet all high priority needs. Last year, around a quarter of districts were unable to consistently meet all high priority needs. In these districts only the most urgent and compelling high priority needs could be paid. The majority of the other districts were able to meet all high priority needs throughout the year. A very small number of districts were able to a number of medium priority needs at some points in the year.

There may be other myths about the Social Fund that you would like answered – if so, why not contact us and let us know about them. We will be writing more 'myths' articles in future Journals, and your question could be amongst them. Contact [Linzi](#) on **0121 606 2191**.

If you would like more information on any area of the discretionary Social Fund and its review system, we offer free workshops to welfare rights organisations, front line benefits staff and Social Fund teams alike. If you are interested, please contact [Lorraine Moran](#) on **0121 606 2141** or Lmm@irs-review.org.uk You may also like to look at our website at www.irs-review.org.uk which has a range of information about the Social Fund.

If you would like to contact us:

Independent Review Service



eMail: sfc@irs-review.org.uk
Website: www.irs-review.org.uk



Phone: 0121 606 2100
Fax: 0121 606 2180



Text-phone: 0121 606 2188



4th Floor, Centre City Podium
5 Hill Street
Birmingham. B5 4UB

Statistical and other information about Social Fund Inspectors' reviews in Northern Ireland are available from:
Office of the Social Fund Commissioner. Scottish Amicable Building, 11 Donegal Square South, Belfast. BT1 5JE
Freephone: 0808 127 0417 Fax: 0280 9023 0921 eMail: sfc@osfcni.org.uk Website: www.osfcni.org.uk