



Grants and loans from the Social Fund

jobcentreplus

Including Jobcentres and
social security offices

What is the Social Fund?

If you are living on a low income and are faced with costs that you are unable to pay for, you may be able to get a payment, grant, or loan from the Social Fund. This can help with important intermittent expenses that you are unable to meet.

This leaflet provides information on Community Care Grants, Budgeting Loans and Crisis Loans, available from the Social Fund to help pay for certain items and expenses that you cannot afford to pay for out of your normal income.

The advice in this leaflet applies to people of working age and to people over State Pension age.



Community Care Grants from the Social Fund

What is a Community Care Grant?

A Community Care Grant is intended to promote community care, and provide help to people who have to cope with special difficulties. Community Care Grants do not have to be paid back and may be given, if the grant will help you:

- return to the community following a stay in institutional or residential accommodation in which you received care
- stay in the community rather than enter institutional or residential accommodation in which you will receive care
- ease exceptional pressures on you and your family
- set up home in the community, as part of a planned resettlement programme, following an unsettled way of life
- care for a prisoner or young offender on release on temporary license, or
- with certain travelling expenses to make certain journeys such as attending a relative's funeral or visiting someone who is ill.

You do not have to pay income tax on any Community Care Grant you may receive.

Am I eligible?

You may be eligible for a Community Care Grant if you are getting any of the following:

- Income Support
- Income-based Jobseeker's Allowance
- Pension Credit, or
- payment on account of one of these benefits or entitlements.

You may also be eligible for a Community Care Grant if:

- in the next six weeks, you are going to be discharged from institutional or residential accommodation in which you have received care and you are likely to receive at least one of these benefits or entitlements when you leave.



Circumstances in which a Community Care Grant may be given

There are many different circumstances in which a Community Care Grant may be awarded and a variety of situations may result in an application for a Community Care Grant being made.

We look at each application on its individual merits before deciding whether a payment can be made. In doing this, we will:

- look at all the circumstances of your application
- check how much money is available in the grant budget to make sure there is enough money available to pay you, and
- compare your application to any other applications we may have so we can prioritise your needs, and determine which applications have a higher need than others.

How much can I get?

For Community Care Grants, the minimum amount that can be awarded is £30.00, although there are separate arrangements for paying travelling expenses. We will decide and award an amount, which we think is appropriate for items you have applied for. We may query the amount you are applying for if, in our opinion, it seems too much.

What if I have any savings?

For Community Care Grants, savings of more than £500 will usually affect how much you can get (£1000 if you or your partner are aged 60 or over).



Budgeting Loans

What is a Budgeting Loan?

A Budgeting Loan is an interest-free loan intended to help spread the cost of expenses that you are unable to pay for out of your normal income. A Budgeting Loan may help you pay for:

- furniture or household items
- clothing and footwear
- rent in advance or removal expenses (to secure new accommodation)
- improvements, maintenance, or security for your home
- travel expenses
- expenses associated with looking for or, starting work (including childcare costs), and
- repaying hire purchase (HP) or other debts that have been taken out to pay for any of the above.

The aim of the Budgeting Loan scheme is to enable as many people as possible, who are most likely to need help with budgeting for intermittent expenses, to have access to interest-free credit.

You do not have to pay income tax on any Budgeting Loan you may receive.

Am I eligible?

You may be eligible for a Budgeting Loan if you are getting any of the following:

- Income Support
- Income-based Jobseeker's Allowance
- Pension Credit
- payment on account of one of these benefits or entitlements, and
- you or your partner have been getting one of these benefits or entitlements, for at least 26 weeks.

How much can I get?

How much we can pay you is based on your personal circumstances. When deciding how much we may award you, we look at:

- whether you are single
- a couple without children, or
- a family with children (either a one or two parent family).

Whether you can get a Budgeting Loan also depends on:

- how much money we have in our budget, and
- how much money you owe the Social Fund from any other loans you have already received.

For Budgeting Loans, the minimum amount that can be awarded is £100. Your maximum debt to the Social Fund, including both Budgeting Loan and Crisis Loan debt, cannot be more than £1,500. Therefore, after deciding how much you can have as a new Budgeting Loan, we may then have to lower the amount we pay you in order to keep your total debt within £1,500.

What if I have any savings?

For Budgeting Loans, savings of more than £1,000 will usually affect how much you can get (£2000 if you or your partner are aged 60 or over).

Crisis Loans

What is a Crisis Loan?

A Crisis Loan is an interest-free loan available from the Social Fund to help you meet any immediate short-term needs in an emergency or as a result of a disaster. You have to show that you have no other means of getting help and a Crisis Loan is the only way that serious damage or risk to health or safety of you or your family can be avoided.

Alternatively, you may be able to get a Crisis Loan if you need help with paying rent in advance. In this case you must be moving out of residential or institutional accommodation and have been awarded a Community Care Grant to establish you in the community.

You do not have to pay income tax on any Crisis Loan you may receive.

Am I eligible?

Anyone aged 16 or over can apply for a Crisis Loan. You do not have to be getting any benefits or entitlements to receive a Crisis Loan.

What if I have any savings?

Any money you have available to you, including any savings will usually affect whether you can get a Crisis Loan and how much you can get.

What else do I need to know about Grants and Loans?

How do they affect any other benefits I get?

Any Community Care Grant you receive will not affect any benefits or entitlements you are getting.

If you get a Budgeting Loan or a Crisis Loan, you will have to pay back any money you get. Deductions will usually be taken from your weekly Income Support, Income-based Jobseeker's Allowance, Pension Credit, or any other benefit, or entitlement you may be getting until the loan has been repaid.

How do I repay any loan I get?

Before you get a loan, we will tell you how much your weekly repayments will be. You will be asked to agree to the repayment amount that we give you. Repayments will usually be deducted from you, or your partner's Income Support, Income-based Jobseeker's Allowance, Pension Credit or any other benefits or entitlements you may be getting.

You will be asked to sign an offer letter to say you accept the amount of any loan you receive and that you agree to the repayment terms, which are detailed in the offer letter.

What if I cannot make the repayments?

If you cannot make the repayments at the rate originally agreed we might be able to help, for example by extending the repayment period to reduce your payments. If you are having difficulty making your repayments, contact the Jobcentre Plus office that dealt with your application immediately.

How and when do I claim?

For a Community Care Grant or Budgeting Loan application form, contact Jobcentre Plus or, you can download an application form online at: www.dwp.gov.uk

To apply for a Crisis Loan get in touch with Jobcentre Plus. If you are stranded away from home, contact the nearest Jobcentre Plus office to where you are.

Some Jobcentre Plus offices are now able to take Crisis Loan applications over the telephone. The office you contact will advise you of whether they can deal with your application by telephone.

How will I be paid?

Community Care Grants and Budgeting Loans will usually be paid in one lump sum into a bank, building society, or Post Office® card account, which you have nominated.

Crisis Loans will usually be paid by cheque made out in your name, and given to you when you go into sign the offer letter at the Jobcentre Plus office that is dealing with your Crisis Loan application. You can cash your cheque at a Post Office or pay it into your bank or building society account.



Decisions and Reviews

How are decisions made?

When we receive your application, we will look at it and decide if you are entitled to any payment. You will be sent a decision letter, explaining what the decision is.

- If we decide you are entitled to a Community Care Grant, we will write and tell you about the decision and let you know how much we are going to pay you.
- If you are offered a Budgeting Loan, you will receive an offer letter telling you about the decision and detailing the amount of any loan, including the repayment terms, we are able to offer you.
- The letter may give you up to three options of different loan amounts, each with different repayment terms, one of which you will have to agree to repay if you want to accept a loan. You will be asked to sign this letter to show:
 - the offer you want to accept
 - you understand the repayment terms
 - you understand that you have to repay the loan, and
 - you agree to the repayment terms detailed in the letter.

- Once you have signed and returned the letter, you will receive the loan and deductions will probably start with your next weekly benefit or entitlement.
- If you are offered a Crisis Loan, you will be given a letter. The letter will tell you the amount of money you will get and the rate at which you will repay it. You will be asked to sign this letter, showing that you understand and agree to the repayment terms.

What if I want to know more about the decision or I think it is wrong?

Contact Jobcentre Plus and ask us to explain the decision to you. If you think the decision is wrong, you have the right to ask for a review. For example, you can ask for a review if you think that:

- the decision was made without the decision maker knowing all the facts
- the decision was wrong, or a mistake was made in your case
- the law (including the directions) have been applied wrongly, or
- you are unhappy with the result.

How do I request a review?

To request a review, contact Jobcentre Plus within 28 days of the date on your decision letter. If you request a review after 28 days, it will help if you give your reasons for your late application, as any late applications may be refused.

A Reviewing Officer will review your case and you may be invited to an interview or given the option of having a telephone interview. We will explain the reason for the decision and you can tell us about anything which you thought was wrong, or which you think we should know. After the interview, we will review your case.

- If the decision can be changed, we will issue a new decision letter.
- If we cannot change the decision we will write and tell you why.

If you still think the decision is wrong, you can ask for a further review by a Social Fund Inspector. The Inspectors are independent from the Department for Work and Pensions. They can either:

- agree with the Reviewing Officer's decision
- ask us to look at it again, or
- make their own decision.

They will write to you explaining what their decision is and why they reached it.

How to apply for a Social Fund Inspector's Review

To apply you must complete the application form IRS1, Independent Social Fund Reviews, a copy of which should be enclosed with your review decision letter. Copies of IRS1 are also available from Jobcentre Plus. Your completed form should be returned to the Independent Review Service or Jobcentre Plus. When you send your form you must do so within 28 days of the review decision, and you must give the reasons why you think the decision is wrong. If you write after 28 days, it will help if you give your reasons for the late application as any late applications may be refused.

If someone writes in for you, you must give your consent in writing.



Where do I go for more information?

You may be able to get other help from the Social Fund to help meet certain intermittent expenses that you are not able to pay for. You can get information about the different types of help in the following leaflets:

- Help with extra heating costs from the Social Fund (SFHA5JP)
- Help with funeral expenses from the Social Fund (SFFA5JP)
- Sure Start Maternity Grants from the Social Fund (SFMA5JP)

If you would like copies of any of these leaflets, contact Jobcentre Plus or look on the website **www.jobcentreplus.gov.uk**.

You can also find more detailed information on the Social Fund online at: **www.dwp.gov.uk/advisers/sb16**



Remember that this leaflet is a guide only. It is not meant to say exactly what your legal rights are. While we have tried to make sure that the information in this leaflet is correct at the date shown on the cover, it is possible that there may be incorrect information or some items may be oversimplified. Also, please remember that the information in this leaflet is likely to become less accurate over time, for example because of changes to the law.

www.jobcentreplus.gov.uk

Jobcentre Plus is committed to applying the principles of equal opportunities in its programmes and services.

The logo for Jobcentre Plus, featuring the text "jobcentreplus" in a white, lowercase, sans-serif font. The word "job" is in white, "centre" is in yellow, and "plus" is in white. The logo is set against a solid green rectangular background.

jobcentreplus

Part of the Department for Work and Pensions

Ref No. **SFLA5JP** | v 2.0 (October 2006) ISBN: 1-84388-939-0