



Localisation of the Social Fund

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The Social Fund was introduced in 1987-1988, following the “Fowler Reviews” of the social security system. Part of it covers payments including the Sure Start Maternity Grant, Funeral Payments, Winter Fuel Payments and Cold Weather Payments, which are paid according to provisions set down in regulations. The other part is the discretionary Social Fund, which is cash limited and provides loans and grants. It comprises Crisis Loans, Budgeting Loans, and non-repayable Community Care Grants (CCGs).

As a result of provisions in the *Welfare Reform Act 2012*, CCGs and Crisis Loans are being abolished from April 2013 and instead funding is being made available to local authorities in England and to the devolved administrations to provide such assistance in their areas as they see fit. The funding is not “ring-fenced” for any purpose, but the Government has set out in a “settlement letter” to local authorities what it expects the funding to be used for, the underlying principles, and expected outcomes.

Pressure groups and welfare rights organisations have voiced major concerns about the localisation of elements of the Social Fund. As well as concerns about the lack of ring-fencing, there are doubts about whether the funding to be transferred to local authorities will be sufficient to meet the needs of people in their areas. The Government has already introduced a series of measures to “manage” Crisis Loan demand back towards pre-2006 levels, in light of the sharp increase in applications for Crisis Loans in recent years. It argues that the sums being made available to local authorities, which includes additional amounts for administration and some start-up funding, will be sufficient to meet “legitimate demand”.

A report published by the Child Poverty Action Group in August 2012 concludes that while localisation of the Social Fund is an experiment which could have a range of positive impacts, providing a more responsive and integrated service for local residents, the Government must be prepared to rethink its approach if the reforms mean that low income families in crisis find themselves with nowhere to turn to.

The relevant provisions in the *Welfare Reform Act 2012* extend to England, Wales and Scotland only, but the Northern Ireland Executive has also been consulting on proposals to replace CCGs and Crisis loans with a new system of “discretionary support.”

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1 The existing discretionary Social Fund

The Social Fund was fully introduced from April 1988. Part of it covers payments including the Sure Start Maternity Grant, Funeral Payments, Winter Fuel Payments and Cold Weather Payments, which are paid according to provisions set down in regulations. The other part is the discretionary Social Fund, which is cash limited and provides grants and loans.

The discretionary Social Fund provides:

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

Community Care Grants (CCGs) are non-repayable grants which are available only to people in receipt of Income Support, income-based Jobseeker's Allowance, income-related ESA or Pension Credit. They are intended to provide help in certain circumstances, including:

- Where a person needs help to establish themselves in the community after leaving institutional or residential care, or to remain in the community rather than go into care;
- Where a person or family is under "exceptional pressure", for example following family breakdown, or an emergency or disaster; and
- Certain travel expenses, for example to visit a sick person or attend a relative's funeral.

Budgeting Loans (BLs) are intended to provide help with occasional or "lumpy" items of expenditure such as furniture and household equipment, clothing and footwear, rent in advance, removal expenses, travelling expenses, expenses associated with seeking or re-entering work, and HP or other debts for any of these items. Loans are interest free and are only available to people who have been receiving Income Support, income-based JSA, income-related ESA or Pension Credit for at least 26 weeks.

Crisis Loans (CLs) are available to people faced with an unforeseen emergency or disaster which leaves them without funds and can be awarded regardless of whether the family is in receipt of any benefit. A CL is only made if the applicant can show that they or their family would otherwise face "serious damage or serious risk to their health or safety". Loans can only be made if the applicant has insufficient resources to meet immediate short-term needs. CLs cannot be made for certain **excluded items**; the list is extensive, covering, among other things, items such as an educational or training need including clothing and tools, work related expenses, debts to Government departments, holidays, and council tax, council water charges, arrears of community charge, collective community charge contributions or community water charges.

Further general background on the Social Fund can be found in [Part 8 of Library Research Paper 11/24, Welfare Reform Bill: Universal Credit provisions](#).

1.1 Recent changes to Crisis Loan rules

There has been a sharp increase in demand for Social Fund Crisis Loans in recent years. This may be in part due to the economic downturn, but Ministers have attributed the rise

mainly to the introduction of telephone claims in 2006. In response, there have been changes to the rules on eligibility for CLs. The Government's intention is to "manage crisis loan demand back towards pre-2006 levels."

There were three changes to the rules governing Social Fund Crisis loans from April 2011. In a Written Ministerial Statement the DWP Minister Steve Webb said:

To meet genuine need, and in addition to continually recycling from the £1.3 billion fund, this Government are committed to maintaining core funding of £178 million a year for the discretionary social fund scheme over the spending review period.

However, since the introduction of remote telephone applications in 2006, there has been an unjustifiable growth in the use of crisis loans. The number of awards made has increased from around 1 million to 2.7 million while spending has almost tripled, reaching £233 million in 2009-10. In the last 12 months alone, over 17,000 people received 10 or more crisis loans.

On current forecasts, the resources for 2011-12 will only satisfy two-thirds of expected demand. Without corrective action to bring spending back under control the shortfall would need to be met from the budgeting loan scheme.

The situation is unsustainable, so I am announcing the introduction of three changes to the crisis loan system, to rebalance supply with affordable resources, to ensure funding for community care grants is protected, and to ensure we can continue to make budgeting loans throughout the year.¹

The changes were:

- no longer paying Crisis Loans for items such as cookers and beds (apart from cases where there has been a disaster, eg due to flooding);
- a reduction in the rate paid for living expenses from 75% down to 60% of benefit rate; and
- a cap of three Crisis Loan awards for general living expenses in a rolling 12-month period.

There was a further change to the rules with effect from 4 July 2011. Repeat applications for a Crisis Loan or Community Care Grant for the same expense within a 12 month period are no longer allowed, unless there has been a change in circumstances. Yet further changes were announced on 23 March 2012 including, for non-householders facing an emergency or disaster situation, a further reduction in the maximum crisis loan award in relation to living expenses from 60% to 30% of the appropriate benefit personal allowance rate. These took effect from 2 April 2012.²

As a result of the measures introduced, gross expenditure on Crisis Loans fell from £228.3 million in 2010-11 to £133.3 million in 2011-12. The further measures from April 2012 are expected to bear down further on expenditure, "to ensure that funding is sustainable ahead of the transfer to the new local provision."³

¹ HC Deb 3 March 2011 cc45-46WMS

² See DWP website, [Crisis Loans – changes from April 2012](#)

³ DWP, *Annual Report by the Secretary of State for Work and Pensions on the Social Fund 2011/2012*, July 2012, para3.5

2 Local provision to replace Crisis Loans and CCGs

Crisis Loans – together with other elements of the discretionary Social fund – are to be abolished. The *Welfare Reform Act 2012* provides for the abolition of Social Fund Community Care Grants and Crisis Loans (other than “alignment” loans currently available to applicants pending payment of benefits). Instead, funding is to be made available to local authorities in England to enable them to provide new locally-administered assistance to vulnerable groups, under existing powers. Funding will also be made available to the devolved administrations in Scotland and in Wales, which will decide the most appropriate arrangements for assistance. The Government intends for the new arrangements to be in place from April 2013.

Social Fund Budgeting Loans and alignment loans are to be replaced by a new nationally administered advance of benefit facility, which will remain the responsibility of DWP.⁴ Regulations making provision for “payments on account” are expected to be laid before Parliament following the Chancellor’s Autumn Statement on 5 December 2012. They will be subject to the affirmative procedure.

In his preface to the Annual Report on the Social Fund for 2011-2012, the Secretary of State for Work and Pensions, Iain Duncan Smith, set out the Government’s thinking on Social Fund reform:

When I entered office I came determined to bring change to the welfare system. I am delighted that the Welfare Reform Act was signed into law in March 2012, bringing the most fundamental reforms to the social security system for 60 years.

The Act reforms the Social Fund because it is complex, over-centralised, poorly targeted and failing those it is meant to help the most. The changes mean the Social Fund is sustainable in the future and supports the move to Universal Credit.

Community Care Grants and Crisis Loans will therefore be replaced with locally based support, which will continue to provide individuals in need with help when it is most needed. It will mean however that individuals will have to take more responsibility in managing their own finances and plan for their future rather than building up benefit debts they can ill afford.

The local provision will be delivered by local authorities in England, and the devolved administrations in Scotland and Wales. Localising Community Care Grant and Crisis Loan provision will provide the flexibility and the framework to respond to those in greatest need according to local circumstances. Local communities will now be able to determine how best to deliver this critical service and they will be closer to people who need it. They will be able to diagnose the underlying causes of an individual’s problems rather than just providing grants or additional loans which may in the past have compounded financial problems by increasing personal debt. The Department for Work and Pensions will of course continue to work closely with local authorities in England and with the Governments of Scotland and Wales, to support them in preparing to deliver the new local provision.

Of course, much of the social fund will remain centralised. The Department for Work and Pensions will also provide a replacement national scheme for Budgeting and Crisis

⁴ For further details see [Information sheet on short-term advances and budgeting advances](#) at the DWP website

Loans for alignment. This provision will consist of Budgeting Advances to replace Budgeting Loans and Short-Term Advances to replace alignment Crisis Loans.⁵

Further background to the Social Fund changes can be found in [Part 8 of Library Research Paper 11/24, Welfare Reform Bill: Universal Credit provisions](#).

The Government conducted a “call for evidence” on its plans for “Local support to replace Community Care Grants and Crisis Loans for living expenses” in 2011; the consultation paper and its response are available at the [DWP website](#).

Pressure groups and welfare rights organisations voiced major concerns about the Social Fund proposals. There is particular concern that the funding devolved to local authorities and the devolved administrations will not be “ring-fenced” and that local authorities will be under no obligation to provide any particular form of support (see for example [pp42-43 of Library Research Paper 11/48](#) on the Commons Committee Stage of the Bill; and [pp11-13 of Library standard note SN06034](#) on the Commons Report Stage and Third Reading).

Concerns continued to be expressed during the Lords Stages of the *Welfare Reform Bill*. In a [letter The Guardian on 8 January 2012](#), 20 leading charities expressed “deep concern” about the proposal to pass funding to local authorities without any duty to provide support. They argued:

Crisis loans and community care grants are the ultimate safety net for the most vulnerable in society. For example, they enable women and children fleeing domestic violence to clothe themselves and furnish their homes; or parents in rural areas who cannot afford a car to visit their child if they are taken into hospital unexpectedly. We are deeply concerned at the government's proposals to abolish these elements of the social fund and pass some of the funding to local authorities, without any statutory obligation to ensure they provide emergency support to vulnerable people.

With councils already experiencing large cuts to central government grants, we fear that some areas will choose to provide no, or extremely limited, support – especially given that funding for crisis loans will be almost halved from £67m in 2010-11 to £36m in 2013. The government's own research shows some local authorities expect the extra funding will be diverted to plug gaps elsewhere.

As charities responding to the needs of vulnerable children and adults in already desperate circumstances, we fear these changes could be catastrophic for some, such as those who resort to illegal moneylenders or high-cost credit, or women who return to live with a violent partner because they have no money to furnish another home for their children. As the Lords prepares to debate social fund reform this week, we urge Lord Freud and the government to rethink these proposals and ensure the money paid to councils to deliver a replacement scheme is at least ringfenced for this purpose.

No significant Government concessions were made during the proceedings on the Bill, although at the Lords Report Stage Ministers announced that all local authorities would be sent a “settlement letter” setting out what the additional funding was to be used for, the underlying principles and the outcomes to be achieved (though not how those outcomes should be achieved). The Government also promised a review in 2014-15 to gather information from a large sample of local authorities on how they had used the funding.⁶

⁵ DWP, *Annual Report by the Secretary of State for Work and Pensions on the Social Fund 2011/2012*, July 2012,

⁶ See HL Deb 17 January 2012 cc471-475; HL Deb 25 January 2012 cc1072-1075

In a written answer on 27 March 2012, the Minister for Welfare Reform, Lord Freud, said:

Priorities for the local replacement for the discretionary social fund will be for local authorities in England and the devolved Governments for Scotland and Wales to decide. The settlement letter that will accompany the funding will say that its purpose is to concentrate resources on those facing greatest difficulty in managing their income, and to enable a more flexible response to unavoidable need. The letter will make explicit that the funding is to provide a replacement provision for community care grants and general living expenses crisis loans.⁷

Further information on [Social Fund reform](#) is available at the section of the DWP website for local authority staff.

3 Funding announcement

On 6 August 2012 the Minister for Pensions, Steve Webb, wrote to local authority chief executives setting out the indicative level of funding they would receive following abolition of the discretionary Social Fund, and describing the Government's intentions. The standard "[settlement letter](#)" – which is available at the DWP web site – is in an Appendix to this note. Also available at the DWP website are [tables](#) giving indicative funding levels for each local authority in England, and for Scotland and Wales, for the period 2012-13 to 2014-15, together with [FAQs](#).

1.1 Settlement letter

The settlement letter states:

As you are aware, the Government has decided that it would not be appropriate to place a new duty on local authorities/devolved administrations in respect of the new provision you are planning. You need to be able to flex the provision in a way that is suitable and appropriate to meet the needs of your local communities.

However, whilst we do not want or expect you to replicate the current scheme in either whole or part, it is incumbent upon me to say that it is the intention of the Government that the funding is to be used to provide the new provision. Whilst the Government recognises the difficulties relating to the boundary between providing financial support and social services, we expect the funding to be concentrated on those facing greatest difficulty in managing their income, and to enable a more flexible response to unavoidable need, perhaps through a mix of cash or goods and aligning with the wider range of local support local authorities/devolved administrations already offer. In short, the funding is to allow you to give flexible help to those in genuine need.

I would add that spending decisions are, and will continue to be, a matter for local authorities and the Government does not intend to start placing restrictions on any future decisions they may make on funding.

No further guidance or suggestions as to how local authorities might use the new funding is given.

3.1 Indicative funding allocations

[Tables](#) at the DWP website give figures for the likely funding local authorities in England and the devolved administrations in Scotland and Wales will receive. The tables give figures for:

- The amount each local authority will receive in 2012-13 to help with start-up costs;

⁷ HL Deb 27 March 2012 c239WA

- Programme funding and additional funding to cover administrative costs in 2013-14 and 2014-15 (ie the first two full years)

Following previous announcements, total programme funding for both 2013-14 and 2014-15 will be fixed at £178 million but the allocations for each local authority/devolved administration are indicative. They are based on data on existing Social Fund spending by area for the period April to September 2011. Final figures for allocations will be issued when full year data is available for 2011-12 – expected by Autumn 2012 – but DWP does not expect that there will be a significant change from the indicative figures (see the [Settlement funding FAQs](#) at the DWP website).

The following table gives the total indicative allocations for England, Wales and Scotland. Figures for each local authority in England are given in the [tables](#) at the DWP website.

Indicative funding for local provision to replace the discretionary Social Funding, 2012-13 to 2014-15

		England	Scotland	Wales	Great Britain
2012-13	Set-up funding	£1.4 m	£0.2 m	£0.1 m	£1.8 m
2013-14	Programme funding	£144.2 m	£23.8 m	£10.2 m	£178.2 m
	Administrative funding	£30.5 m	£5.0 m	£2.2 m	£37.7 m
	Total funding	£174.7 m	£28.8 m	£12.4 m	£215.9 m
2014-15	Programme funding	£144.2 m	£23.8 m	£10.2 m	£178.2 m
	Administrative funding	£27.9 m	£4.6 m	£2.0 m	£34.5 m
	Total funding	£172.1 m	£28.4 m	£12.2 m	£212.7 m

Note: Figures rounded to the nearest £0.1 million

Source: DWP, [Settlement funding allocation figures: Programme \(AME\), Administration \(DEL\) and Set-up funding allocation by country and local authority](#), August 2012, Tables 1-3

Start-up funding amounts to only £1.8 million for the whole of Great Britain – 1% of the programme budget. The Government argues that this is “reasonable”, given the expectation that many local authorities will align the new provision with existing services, but given that the total start-up funding for England will amount not only £1.4 million, the amounts received by some local authorities will be small. For example, Bath and North East Somerset will receive only £2,493 of start up funding, and Bedford £3,998. Birmingham, on the other hand, will receive £61,706.

Additional allocations for administration amount to around 20% of programme funding. The Government believes that this “represents a generous settlement, and aligns with both current Departmental spend and what LAs and Das [devolved administrations] asked for during consultation” (see the [Settlement funding FAQs](#)).

2 CPAG report on the Social Fund at a local level

In August 2012 the Child Poverty Action Group published *The Social Fund at a local level: notes for and from practitioners*. The report – based on “roundtable discussions” with practitioners in London, Darlington, Newcastle, Leicester and Stockport – looks at issues and key considerations for local authorities in England in response to the abolition of the discretionary Social Fund. The report flags up the main concerns local authorities have, but it also gives an indication of the range of policy responses being considered and the state of current thinking on possible solutions. The report follows earlier work undertaken by CPAG involving local authorities in London.⁸

The report notes that while the DWP settlement letter states that while the funding to be made available is to allow local authorities “to give flexible help to those in genuine need”-

...the funding made available to each local authority represents a significant reduction in the funding that was previously provided to households within each region. Based on a sample of 12 Local Authorities who shared the details of their settlement with us, the average reduction in funding for the social fund replacement schemes in 2013/14 compared to the funding for the nationally administered Social Fund in 2011/12 is **13.9%**, rising to **15.6%** in 2014/15. While Local Authorities received around 20% on top for administration (which simply reflected the costs of administering the scheme at a national level), many worry that this amount combined with start up grants as low as around £4,000, would not adequately cover the costs of developing and implementing an entirely new scheme by April 2013. Some felt that they would need to dip into programme funding during the first year to cover these costs – further increasing pressure on the funding available to develop a localised scheme.

This increase in financial pressure is happening against a background of lower household incomes and national cuts to social security spending that will already reduce family incomes.⁹

Furthermore, the report notes that families may need to have greater recourse to localised support if the transition to Universal Credit is less smooth than hoped.

Other findings include:

- Schemes are unlikely to provide assistance in the form of loans, because of the difficulties involved in recovering amounts from individuals. Cash grants are the most likely form of support, but schemes may also provide goods directly to families in some situations (eg white goods such as cookers and fridges), and vouchers or pre-paid cards may be another option.
- Local authorities will have to consider how to deal with “transient” groups and those without a clear “local connection”, both to ensure that they are not replicating help already being given by other local authorities, and that vulnerable people who legitimately need to move (eg those fleeing domestic violence) are not excluded from help.
- Many local authorities are considering combining different discretionary payments they are responsible for – eg discretionary housing payments and payments under section 17 of the *Children Act 1989* – and creating a universal assessment process to

⁸ *Delivering the social fund at London-level: opportunities and risks*, June 2012

⁹ *Ibid.* pp3-4, original emphasis

access all forms of support. However, there are doubts as to whether such systems could be put in place by April 2013.

- Some local authorities are considering routing access to their Social Fund replacement scheme through the social care system. There are however concerns that this could exclude families not in contact with social services.
- There has been discussion of the possibility of joint working and partnerships involving local authorities and other organisations and agencies such as housing associations, grant giving charities, food banks, credit unions, and energy providers and organisations (although there are concerns about the capacity of credit unions and food banks to provide assistance).
- Each local authority will have to set up a mechanism to deal with appeals and disputes.

The report identifies a number of “key considerations” for local authorities formulating plans to provide local support. These include:

- How to deal with funding shortfalls. Responses could include tightening eligibility criteria, reducing the size of awards, or finding funds from other budgets.
- What should be the eligibility criteria be, and how to deal with the issue of “local connection”? Local authorities will have to consider how to coordinate their approach with their neighbours, to avoid a “postcode lottery” problem.
- How assistance should be provided – cash, goods or vouchers?
- Whether abolition of the Social Fund should be used as an opportunity for local authorities to combine different schemes providing discretionary support and, if so, how to set up a universal application system for people to access support.
- What kinds of joint working with other bodies should be considered, which organisations or agencies should be involved, and what their contribution might be.
- How to provide weekend and out of hours emergency support.
- How to deal with disputes and appeals.
- How to manage the expectation of claimants who are familiar with the current Social Fund and the support it provides.

The CPAG report acknowledges however that while localisation of the Social Fund presents “significant challenges”, it also “presents a range of opportunities to provide a more effective support system within each local area” and notes that a number of “promising approaches are emerging”. These include:

- Integrating “longer term sustainability” elements into schemes by, for example, including benefit checks, energy tariff checks or offering financial literacy courses as part of the assessment process.

- Introducing interim arrangements for providing support from April 2013 rather than adopting a “big bang” approach, so that local authorities can better assess local need before finalising a delivery model.
- Integrating assessment for various forms of discretionary support. CPAG does not support actually combining the different forms of support into a single fund – since they have clear and distinct purposes – but thinks that there may be options to “hide the wiring” so that people can access the full range of support regardless of where the entered the system.
- The possibility that local authorities, perhaps working in conjunction with third sector providers, could make savings by bulk procurement of goods (although it is recognised that in kind support may be seen as stigmatising and that where such support is provided, people should have the chance to choose goods suitable for their own homes).
- Local authorities will probably need to retain some form of cash scheme, to make payments to people in the case of emergencies (eg where people are threatened with their fuel being disconnected).
- The inclusion of clear referral routes for other help and support.

On the final point above, the report comments:

Authorities can improve existing arrangements to deliver a more integrated scheme to meets immediate need *and* enables residents to access further help and support. Other funds, such as those from charitable foundations, may exist within regions and accessing (or attempting to access) the social fund may provide a useful point for referral. Signposting will need to be carefully managed to avoid overwhelming third sector organisations. Referrals and signposting will be particularly important in the case of rejected applications.¹⁰

The report goes on to give examples of “thinking in progress” across the local authorities which took part in the discussions. It concludes with a number of “key messages” for central government. These include:

- It would be helpful if government at national or regional level took a lead in clarifying issues around “local connection” and eligibility. CPAG notes that “If one authority chooses to apply local connection rules and others do not, those who do not may see an unsustainable increase in demand for their schemes.”
- Local authorities are “seriously concerned” that delivery problems with Universal Credit could place pressure on their discretionary funds, and the Government needs to make clear that it has contingency arrangements if things do not go to plan and share details with local authorities before the roll out of Universal Credit begins.
- There needs to be greater clarity around information-sharing arrangements about claimants’ entitlement to DWP administered benefits.

¹⁰ Ibid. pp15-16

- The monitoring and evaluation of the new arrangements planned for 2014-15 should look at how well schemes prevent hardship and destitution, access to affordable credit, how schemes are perceived by claimants, and administrative costs.
- Local authorities would prefer that the Government stop referring to the “localisation” of the Social fund and instead acknowledge that the scheme is being abolished, to reduce “unrealistic expectations” on emergent local schemes.

The report concludes:

Localisation of the social fund is an experiment which could have a range of positive impacts for local residents, providing a more responsive and integrated service. But we do not yet know whether it will be possible to deliver these within the current budgets; Government must be prepared to rethink the approach if the reforms mean that low income families are left with nowhere to turn in a crisis.¹¹

4 Scotland

4.1 Consultation

Further information on progress towards introducing new arrangements to replace Community Care Grants and Crisis Loans in Scotland is available at the Scottish Government website under [Social Fund Successor Arrangements](#). The Scottish Government published a consultation paper, [Devolution of Community Care Grants and Crisis Loans: Consultation on Successor Arrangements](#), in August 2011 and the consultation ran until 31 October 2011. Individual responses to the consultation, and an analysis of responses published in February 2012, can be found [here](#).

A briefing note, [Social Fund successor arrangements for Community Care Grants \(CCGs\) and Crisis Loans for Living Expenses \(CLs\) in Scotland: What is the Scottish Government doing to implement a successor scheme?](#) stated that the “key messages” from the consultation were:

- Respondents indicated their qualified support for a single grant fund to replace CCGs and CLs;
- Local delivery is favoured above central delivery, with some qualifications e.g. a nationally agreed set of criteria;
- Local Government (LG) is the most widely suggested local delivery agent;
- The successor scheme should offer a mixture of goods and grants; and
- The appeals process should include an independent element.
- Other support, such as money advice, should be offered but should not be compulsory.

¹¹ Ibid. p21

In light of the consultation, the Scottish Government said that it intended to “retain the objectives of the current schemes for CCGs and CLs”, but believed that there was “scope to make better links with local delivery.”¹² The briefing paper stated:

Successor Arrangements

Scottish Ministers agreed with the Convention for Scottish Local Authorities (COSLA) that Local Authorities are best positioned to deliver the successor scheme.

The Scottish Government, working jointly with COSLA, has set up a Design and Implementation Group (DIG). The DIG meets to discuss the arrangements for developing the successor scheme, and overseeing implementation.

The new scheme:

- Will pay grants, not loans,
- May pay either cash or support in kind, e.g. goods or travel warrants,
- Will be a national scheme with a single application form

In keeping with the Scottish Government’s commitment to retain the core purpose of the current scheme, the broad objectives of the successor scheme will be to support individuals on low incomes to:

- provide a safety net in an emergency or when there is an immediate threat to health or safety
- enable independent living or continued independent living, preventing the need for institutional care.

The [Design and Implementation Group \(DIG\)](#) worked with COSLA to develop a methodology for allocating funding to individual local authorities. Funding would be “ring-fenced” for the successor scheme. The briefing paper added:

The new scheme will be delivered, on an interim basis for two years, by Local Authorities under Section 20 of the Local Government Scotland Act 2003 – the Power to Advance Wellbeing. The Scottish Government will collaborate with local authorities to set common criteria aiming to achieve consistent provision across the country. Scottish Ministers will set out eligibility criteria, and a standard application form in guidance.

In the long run successor arrangements will be set-out in primary legislation.¹³

[Draft guidance](#) for the new was published on 2 August 2012, along with an accompanying [Equalities Impact Assessment](#). Comments were invited by 31 August.

4.2 The Scottish Welfare Fund

On 21 October it was announced that the new “Scottish Welfare Fund” would begin operations in April 2013.¹⁴ Further details can be found in [An outline of the Scottish Welfare Fund](#), at the Scottish Government website.¹⁵

¹² Ibid.

¹³ Ibid.

¹⁴ Scottish Government press release, [Protecting Scotland’s poorest](#), 21 October 2012

¹⁵ Published 6 November 2012

The Scottish Welfare Fund will be a national scheme, delivered through local authorities. It is intended as an interim scheme only, to last for a period of two years. Decisions on longer term arrangements will be taken following a review of the interim scheme. The intention is to set out the permanent scheme in legislation.

The interim scheme “aims to achieve the advantages of local delivery while maintaining a national character and consistency in service.”¹⁶ The Scottish Government will provide guidance – developed in collaboration with COSLA and others – under section 20 of the *Local Government Act 2003* (the “power to advance wellbeing”). It will also provide a standard application form, a national training programme and funding for a dedicated development officer to promote consistency and support implementation. The national budget will be distributed to local authorities using an agreed funding formula, and local authorities will have to manage their budget over the financial year.. Guidance will set out a framework for prioritising applications.

Funding will be split between “Crisis Grants” and “Community Care Grants”. Crisis Grants – like Crisis Loans currently – may be awarded “to meet expenses that have arisen as a result of an emergency or disaster in order to avoid serious damage or serious risk to the health or safety of the applicant or their family.” Community Care Grants will also have a similar role to their current Social Fund CCGs, namely “to enable independent living or continued independent living, preventing the need for institutional care.”¹⁷

An outline of the Scottish Welfare Fund states:

Local provision of Crisis Grants and Community Care Grants will allow for a more holistic approach than was possible with national call centre provision, for example linking to services which may build capacity, such as offering budgeting or other money advice, or encouraging saving. The aim is to support individuals, families and communities to manage better in the longer term and promote resilience. Community Care Grants align well with the overall approach of early intervention, through targeting transitions which increase risks of adverse outcomes, such as leaving prison, moving out of care, or taking on a tenancy. They also support specific Scottish Government policies such as care in the community, tackling poverty and reducing homelessness. Crisis Grants do not fit the early intervention approach but have a role in preventing further harm, reducing the longer term impact on other services.

In designing the new scheme, we have the opportunity to improve the service to applicants and learn lessons from the DWP implementation in recent years.

We anticipate that likely users of the scheme (though not an exhaustive list) will be:

- disabled people
- lone parents
- unemployed people
- older people
- care leavers
- homeless people
- ex offenders

¹⁶ Ibid.

¹⁷ Ibid.

- carers.

Key features of the new scheme include:

- Local Authorities have discretion on where in their organisation they process applications and how they link the scheme to existing services.
- The scheme will pay out grants or assistance in kind (cash, fuel cards, food vouchers, travel warrants, loaded store card for e.g. white goods/furniture) only, but not loans. Local Authorities will have discretion on the type of support offered i.e. Local Authorities can offer assistance in kind rather than cash in order to meet the needs of the applicant and gain economies of scale from bulk purchasing or re-use schemes.
- Application will be by referral or self-referral. Eligibility for the scheme takes the existing Social Fund rules as a starting point with some changes to reflect feedback from stakeholders, the experience of DWP in delivering Community Care Grants and Crisis Loans and the new delivery arrangements. Key changes are that crisis grants will be linked to qualifying benefits (with an option for local discretion) where crisis loans were not. Awards to families under “exceptional pressure” will be focused on providing a safe and secure environment for children. Travel expenses will no longer appear as a separate reason for application.
- There will be a standard national application form. Applications may be made face to face, on the phone, via on-line applications or by downloading and posting a form, subject to the Local Authority’s ability to provide these options.
- Local Authorities will have the required access to DWP data to check information provided by applicants.
- Where possible, Local Authorities will work with applicants to identify any other support they may need or be entitled to and refer them to relevant services to help solve any underlying problems. This may include money advice or debt advice. Good links will need to be established with Jobcentre Plus to ensure continuity with other welfare provision.
- Guidance will include the process for reviewing unsuccessful applications where the applicant does not agree the outcome. Arrangements for second tier review are still under review.

The decision making process will involve determining whether:

- The applicant qualifies for a grant by receiving one of the relevant benefits and not being excluded for another reason, for example having savings or capital they could use instead, and by determining that they are not eligible for financial assistance from another source (e.g. DWP short-term advance).
- The applicant’s personal circumstances meet the conditions set out for the grants.
- The applicant’s needs are of sufficient priority to warrant a payment from limited funds by assessing it as high, medium or low priority.
- There is sufficient money available in the budget to pay a grant.

In September 2012 the Child Poverty Action Group in Scotland said that the £23.8 million allocated to the Scottish Government for new provision to replace Crisis Loans and Community Care Grants in 2013-14 was “woefully inadequate.” The head of CPAG in

Scotland John Dickie, said it was “now vital that Scottish Ministers act on their promises to mitigate the damage caused by UK welfare reform and invest in the social fund so at the very least it is resourced at the same level as in previous years.”¹⁸

Announcing the Scottish Welfare Fund on 23 October, the Deputy First Minister, Nicola Sturgeon, told the Scottish Parliament’s Welfare Reform Committee:

I am pleased to inform the committee that, because we think that the amount that is being transferred by the UK Government is too low—it is less than what we spent on the social fund in 2005—the Scottish Government has decided to supplement that funding and provide an additional £9.2 million for local authorities to spend through the scheme. That increased funding means that the Scottish welfare fund will have the capacity to award an additional 5,500 community care grants and more than 100,000 additional crisis grants. In other words, that will almost double the number of people in Scotland who will be able to receive either the community care grant or a crisis grant next year.¹⁹

5 Wales

The Welsh Government also launched a [Consultation on options to replace the Social Fund Community Care Grants and Crisis Loans for Living Expenses](#) in January 2012. The consultation ran until 30 March.

On 12 July 2012, the Minister for Local Government and Communities, Carl Sargeant, made an [Oral Statement to the National Assembly for Wales giving an update on the Welsh Assembly Government’s plans for a scheme to replace the discretionary Social Fund in Wales](#):

Earlier this year, we consulted on options for replacing the scheme, issuing a formal consultation on the policy and delivery issues around the development of a new scheme. We have also engaged with our key service delivery partners through consultation events to make the best use of the knowledge and expertise that exists in Wales to develop a viable and affordable scheme.

The consultation analysis has identified some very clear findings. On the question of delivery, there is broad consensus across all sectors that the delivery of the social fund should be firmly based

Yn gynharach eleni, gwnaethom ymgynghori ar opsiynau ar gyfer newid y cynllun, a chyhoeddi ymgynghoriad ffurfiol ar y polisi a’r materion cyflenwi mewn perthynas â datblygu cynllun newydd. Rydym hefyd wedi ymgysylltu â’n partneriaid sy’n darparu gwasanaethau allweddol drwy ddigwyddiadau ymgynghori i wneud y defnydd gorau o’r wybodaeth a’r arbenigedd sy’n bodoli yng Nghymru i ddatblygu cynllun ymarferol a fforddiadwy.

Mae’r dadansoddiad o’r ymgynghoriad wedi dod â rhai canfyddiadau clir iawn i’r amlwg. O ran cyflenwi, mae consensws eang ar draws pob sector y dylai’r dull o gyflwyno’r gronfa gymdeithasol fod

¹⁸ CPAG Scotland press release, [“Money for vital social fund lifeline woefully inadequate,” say anti-poverty campaigners](#), 17 September 2012

¹⁹ Scottish Parliament, *Welfare Reform Committee Official Report*, 23 October 2012, c 282

on a partnership model and supported with local arrangements that join up. The huge importance of third sector organisations was consistently highlighted, if not in the actual delivery of the scheme then certainly in making referrals to the new scheme, supporting applications and working closely with the new arrangements so that it reaches those most in need.

To move to the criteria, there was a great deal of support for establishing clear national qualifying criteria in order to ensure consistency of delivery across Wales. In Wales, I want to see a nationally defined scheme that avoids a postcode lottery and provides a consistent level of support across all of Wales. We aim to ensure equity and fairness for claimants, and this was also a clear message from the consultation.

There was a strong feeling from both the consultation exercise and events that the successor fund should be grant based because of the cost and complexity of recovering loans of small value. The current system recovers social fund payments directly from welfare benefits, which will not be an option to the Welsh Government. Concerns were also raised that making a loan repayment, for some, would compound their problems further in the future. This was balanced by a significant number of respondents who believe that the crisis loan fund should continue as a loan facility because of concerns that the fund will diminish if it is purely grant based. The consultation raised the suggestion of issuing vouchers for goods and services instead of making cash payments, as is the current practice. There was a clear steer from stakeholders for the use of

wedi'i seilio'n gadarn ar fodel partneriaeth gyda chefnogaeth trefniadau lleol sy'n cydgysylltu. Tynnwyd sylw yn aml at bwysigrwydd enfawr sefydliadau'r trydydd sector, os nad o ran darparu'r cynllun ei hun, yna yn sicr wrth wneud atgyfeiriadau i'r cynllun newydd, cefnogi ceisiadau a gweithio'n agos gyda'r trefniadau newydd fel ei fod yn cyrraedd y rhai mwyaf anghenus.

O ran y meini prawf, yr oedd llawer iawn o gefnogaeth ar gyfer pennu meini prawf cymhwyso cenedlaethol clir er mwyn sicrhau darpariaeth gyson ledled Cymru. Yng Nghymru, rwyf am weld cynllun sydd â diffiniad cenedlaethol sy'n osgoi'r loteri cod post ac sy'n darparu lefel gyson o gymorth ledled Cymru gyfan. Rydym yn anelu at sicrhau cydraddoldeb a thegwch i hawl wyr, ac roedd hyn hefyd yn neges glir o'r ymgynghoriad.

Roedd teimlad cryf o'r ymgynghoriad a'r digwyddiadau y dylai'r gronfa olynol fod yn seiliedig ar grant oherwydd cost a chymhlethdod adennill gwerth benthyciadau bychain. Mae'r system bresennol yn adennill taliadau'r gronfa gymdeithasol yn uniongyrchol o fudd-daliadau lles, ac ni fydd hynny'n opsiwn i Lywodraeth Cymru. Mynegwyd pryderon hefyd y byddai ad-dalu benthyciad, i rai, yn dwysáu eu problemau ymhellach yn y dyfodol. Cafodd hyn ei gydbwyso gan nifer sylweddol o ymatebwyr sy'n credu y dylai'r gronfa benthyciad argyfwng barhau fel cyfleuster benthyciad oherwydd pryderon y bydd y gronfa yn lleihau os yw'n gweithredu ar sail grant yn unig. Codwyd awgrym o'r ymgynghoriad ynghylch cyhoeddi talebau ar gyfer nwyddau a gwasanaethau yn hytrach na gwneud taliadau arian parod, fel sy'n digwydd ar hyn o bryd. Roedd arweiniad clir gan

vouchers, with the caveat that cash payments should remain an option where goods and services would not cover some particular needs. There was a call for this arrangement to be supported by food banks and recycling initiatives, where those are available locally.

The consultation also highlighted the absolute need for the new scheme to be linked with local agencies and the need to make relevant signposting to further sources of help and support available—something that I am also committed to doing. I am also clear that the cornerstone of the new arrangements will be to have strong links with financial capability, money advice, income maximisation and affordable credit. This will ensure that the underlying problems faced by those on low incomes are addressed at the point of application, with relevant signposting to support in order to maximise income and organise finances better to help avoid repeat claims. This will help to maximise the limited funding available to provide support. I am committed to this principle and to utilising existing Welsh Government-supported organisations, such as credit unions, to provide this holistic service.

I am seeking to develop a scheme that is built on partnership but is also supported through local arrangements, to allow some local flexibility. I believe that the best option for delivery might be through the procurement of a single organisation to manage the scheme and to establish local consortia arrangements to deliver it. I have therefore asked officials to explore that option in more detail, and, following the

randdeiliaid o blaid defnyddio talebau, gyda'r cafeat y dylai taliadau arian parod barhau i fod yn opsiwn lle na fyddai nwyddau a gwasanaethau yn ateb rhai anghenion penodol. Roedd galwad i'r trefniant hwn gael ei gefnogi gan fanciau bwyd a mentrau ailgylchu, lle bo'r rheini ar gael yn lleol.

Roedd yr ymgynghoriad hefyd yn tynnu sylw at y gwir angen i'r cynllun newydd fod yn gysylltiedig ag asiantaethau lleol a'r angen i gyfeirio mewn ffordd berthnasol at ffynonellau pellach o gymorth a chefnogaeth sydd ar gael—rhywbeth yr wyf hefyd wedi ymrwymo i'w wneud. Rwyf hefyd yn glir mai conglaen y trefniadau newydd fydd cael cysylltiadau cryf gyda chapasiti ariannol, cyngor ariannol, sicrhau'r incwm mwyaf posibl a chredyd fforddiadwy. Bydd hyn yn sicrhau yr ymdrinnir â'r problemau sylfaenol a wynebir gan y rhai sydd ar incwm isel pan wneir cais, gyda chyfeiriadau perthnasol at gefnogaeth er mwyn sicrhau'r incwm mwyaf posibl a threfnu arian yn well er mwyn helpu i osgoi gorfod gwneud hawliadau dro ar ôl tro. Bydd hyn yn helpu i wneud y gorau o'r cyllid cyfyngedig sydd ar gael i ddarparu cefnogaeth. Rwyf wedi ymrwymo i'r egwyddor hon ac i ddefnyddio sefydliadau a gefnogir gan Lywodraeth Cymru ar hyn o bryd, fel undebau credyd, i ddarparu'r gwasanaeth cyfannol hwn.

Rwyf yn ceisio datblygu cynllun sy'n cael ei adeiladu ar bartneriaeth, ond sy'n cael ei gefnogi hefyd drwy drefniadau lleol, er mwyn caniatáu rhywfaint o hyblygrwydd lleol. Credaf mai'r opsiwn gorau ar gyfer darparu o bosibl yw drwy gaffael un sefydliad i reoli'r cynllun a sefydlu trefniadau consortia lleol i'w ddarparu. Felly, rwyf wedi gofyn i swyddogion edrych ar yr opsiwn hwnnw'n fanylach ac, ar ôl i'r broses honno

conclusion of that process, I will give the matter more consideration and bring the detail back to the Chamber.

While my priority is to ensure that a replacement social fund scheme is operational before April 2013, I am determined to ensure that the future scheme supports our commitments to tackling poverty. I am also taking this forward alongside the development of a new scheme to provide council tax support in Wales, so that we can mitigate some of the worst impacts of the UK Government's welfare reforms. In contrast to England, where local authorities have been left to develop their own schemes to replace council tax benefit, we will be implementing a single nationally defined scheme that provides a minimum, consistent level of council tax support, again across the whole of Wales.

ddod i ben, byddaf yn ystyried y mater ymhellach ac yn cyflwyno'r manylion i'r Siambr.

Er mai fy mlaenoriaeth yw sicrhau bod cronfa newydd ar waith yn lle'r cynllun cymdeithasol cyn mis Ebrill 2013, rwyf yn benderfynol o sicrhau bod cynllun y dyfodol yn cefnogi ein hymrwymiaadau i fynd i'r afael â thlodi. Rwyf hefyd yn bwrw ymlaen â hyn ochr yn ochr â datblygu cynllun newydd i roi cymorth o ran y dreth gyngor yng Nghymru, fel y gallwn liniaru rhai o effeithiau gwaethaf diwygiadau lles Llywodraeth y DU. Yn wahanol i Loegr, lle mae awdurdodau lleol wedi cael eu gadael i ddatblygu eu cynlluniau eu hunain i gymryd lle budd-dal y dreth gyngor, byddwn yn gweithredu un cynllun gyda diffiniad cenedlaethol sy'n darparu lefel safonol, cyson o gymorth o ran y dreth gyngor, eto ledled Cymru gyfan.

6 Northern Ireland

While social security is a devolved matter in Northern Ireland, there is a long-standing policy of maintaining "parity" with Great Britain in this area²⁰ and there is a separate but equivalent discretionary Social Fund in Northern Ireland. A *Welfare Reform Bill* to make similar provision in Northern Ireland to the *Welfare Reform Act 2012* in Great Britain is expected to be introduced in the Northern Ireland Assembly shortly. It is expected that this will include provisions to abolish Community Care Grants and Crisis Loans and to transfer responsibility for the delivery of new local arrangements to the Northern Ireland Executive.

On 19 June 2012 the Executive published a consultation paper seeking views on the Department for Social Development's proposed new discretionary support policy to replace CCGs and Crisis Loans. A DSDNI [press release of 19 June 2012](#) explained:

McCausland calls for views on future of discretionary support: Social Development Minister, Nelson McCausland, is calling for people in Northern Ireland to air their view on his Department's policy for developing future discretionary support scheme

In the public consultation, launched today, Minister McCausland asks for views on the Department's intention to ensure that any future discretionary support schemes will:

²⁰ The principle is now enshrined in section 87 of the *Northern Ireland Act 1998*.

- Offer immediate assistance to vulnerable people who find themselves in the most exceptional, extreme or crisis situations and;
- In the longer term, promote independence and self sufficiency.

Minister McCausland said: “It is important that any new discretionary support schemes that we implement in the future should help to tackle poverty and disadvantage and grow our economy, but it is also important that any new scheme can help those in need move towards an independent life, and help them become self sufficient.”

The proposed reform of the welfare system will see the abolition of the current Social Fund which is made up to two elements – regulated payments and discretionary payments.

While the regulated payments will be incorporated into the new Universal Credit system, a unique opportunity now exists for Northern Ireland to create its own, more holistic discretionary support scheme. The Social Security Agency is currently working to design and develop this new replacement Discretionary Support scheme to best meet the needs of low-income families across Northern Ireland.

The Minister added: “We have to look to the future and decide how we want to operate any new discretionary payment scheme and ultimately, what we want it to achieve in the long term.

“With the abolition of the current Social Fund arrangements we have a unique opportunity to create a bespoke scheme that is designed with the specific circumstances of Northern Ireland in mind. Our policy behind this scheme should progress the Northern Ireland Executive’s anti-poverty agenda which aims to meet both the immediate needs of those experiencing poverty, and encourage and support their efforts towards self sufficiency.

“By integrating all of my Department’s discretionary support strategies and services into this overarching policy, we will be able to target our resources to help those most affected by the changes in housing benefit and the wider welfare reform agenda in the most effective and consistent way. I look forward to hearing your views.”

The consultation will run for 12 weeks and can be accessed at: <http://www.dsdni.gov.uk/consultations-discretionary-support-policy.htm>. Hard copies and alternative formats of the consultation will also be available on request. The closing date for comments is 11 September 2012.

The consultation paper stated that it was expected that the new discretionary support arrangements would replace CCGs and Crisis Loans “during the 2013/14 financial year.”

7 Communities and Local Government Committee inquiry

On 18 October 2012 the House of Commons Communities and Local Government Select Committee launched an inquiry into the implementation of welfare reforms by local authorities. This will include consideration of local authorities’ plans for Social Fund replacement schemes. The following Committee [press release](#) gives details:

The implementation of welfare reform by local authorities

The Committee invites submissions from interested parties covering the progress made to date on the implementation of welfare reform by local authorities

[Communities and Local Government Committee](#)

Those making submissions may wish to consider the following issues, though the list is not exhaustive and respondents can select which issues they wish to cover.

- How effectively are the Department for Work and Pensions and the Department for Communities and Local Government working together to implement Welfare Reform?
- Is the guidance available to local authorities from central government on implementing welfare reform adequate? Are there areas where more or better guidance is required?
- Is the Government's timetable for implementing Welfare Reform achievable?
- Are local authorities being allocated sufficient resources to deliver services such as localised Council Tax Support and advice to claimants on Universal Credit?
- Are there financial risks to local authorities from Welfare Reform changes? Are such risks being adequately addressed?
- What impact have Welfare to Work schemes had, or are likely to have, on the numbers of benefit claimants?
- What evidence is there that local authorities are able to use effectively existing services or contracts for the delivery of new local Social Fund schemes?
- How will the separation of the administration of Council Tax Benefit and Housing Benefit affect claimants?
- How significant an issue is housing benefit fraud under the proposed new system and what measures are being taken to address it?
- Are there sufficient safeguards to protect social landlords from financial harm resulting from the payment of housing benefit direct to claimants?

Notes for Editors:

Submissions of no more than 3,000 words are invited until 14 December 2012 at 11am.

Appendix 1: DWP settlement letter to local authorities

6 August 2012

Dear Chief Executive

Abolition of the discretionary Social Fund and transfer of funding for a new provision

I am writing in respect of earlier correspondence on the provisions in the Welfare Reform Act that abolish the current Community Care Grant and Crisis Loan schemes. As you know these schemes will be abolished in April 2013 and in order to avoid a gap in support for vulnerable people new arrangements will need to be in place from April 2013.

I know from discussions your officials have had with my Department that your planning for a new provision is well under way. This letter is to inform you of the indicative amount of programme funding you will receive for your new provision and the amount of set up and administration funding to enable you to do that. Programme funding is indicative because the final figure will be based on discretionary Social Fund spend in your area for the 2012 – 2013 year.

The programme funding has been calculated by looking at the legitimate demand, for those aspects of the discretionary Social Fund being abolished, for your area. We then applied that as a percentage of the Department's allocated £178.2 million to arrive at your figure. For administration funding we are transferring the amount the Department for Work and Pensions spends on administering them. This works out at approximately twenty per cent of the transferred programme spend. For start up funding, we listened to what authorities have told us. The amount to be transferred therefore allows a degree of flexibility according to your intentions, and is in line with expectations that the programme funding will be, in most cases, aligned with existing provisions.

Community Care Grants were awarded for a range of expenses, including household equipment, and were intended to support vulnerable people to return to or remain in the community or to ease exceptional pressure on families. They were also intended to assist with certain travel expenses. Crisis Loans were made to meet immediate short-term needs in an emergency or as a consequence of a disaster when a person had insufficient resources to prevent a serious risk to the health and safety of themselves or their family.

Although you are not expected to replicate the previous Community Care Grant and Crisis Loan schemes, I attach for information a brief reminder of their purposes at Annex A.

As you are aware, the Government has decided that it would not be appropriate to place a new duty on local authorities/devolved administrations in respect of the new provision you are planning. You need to be able to flex the provision in a way that is suitable and appropriate to meet the needs of your local communities.

However, whilst we do not want or expect you to replicate the current scheme in either whole or part, it is incumbent upon me to say that it is the intention of the Government that the funding is to be used to provide the new provision. Whilst the Government recognises the difficulties relating to the boundary between providing financial support and social services, we expect the funding to be concentrated on those facing greatest difficulty in managing their income, and to enable a more flexible response to unavoidable need, perhaps through a mix of cash or goods and aligning with the wider range of local support local authorities/devolved

administrations already offer. In short, the funding is to allow you to give flexible help to those in genuine need.

I would add that spending decisions are, and will continue to be, a matter for local authorities and the Government does not intend to start placing restrictions on any future decisions they may make on funding.

Funding transfer details.

[LA name]	
Local Authority:	[LA name]
2012/13	
Set-up funding	£
2013/14	
Programme funding	£
Administrative funding	£
2014/15	
Programme funding	£
Administrative funding	£

**STEVE WEBB MP
MINISTER OF STATE FOR PENSIONS**

Annex A - Former Purpose of Community Care Grants and Crisis Loans

Community Care Grants were primarily intended to help vulnerable people live as independent a life as possible in the community. They were awarded to households receiving means-tested benefits such as Jobseekers Allowance. The prime objectives were to:

- help people to establish themselves in the community following a stay in institutional or residential care;
- help people remain in the community rather than enter institutional or residential care;
- help with the care of a prisoner or young offender on release on temporary licence;
- ease exceptional pressures on families e.g. the breakdown of a relationship (especially if involving domestic violence) or onset of a disability, or a calamity such as fire or flooding;
- help people setting up home as a part of a resettlement programme following e.g. time in a homeless hostel or temporary accommodation; or
- assist with certain travelling expenses e.g. for funerals of a family member or hospital visiting.

Crisis Loans were intended for applicants who are unable to meet their immediate short term needs in an emergency or as a consequence of a disaster. They were awarded for immediate living expenses in order to avoid serious damage or risk to the health or safety of the applicant or a member of the family.