

Annual Report

by the Secretary of State for
Work and Pensions on the
Social Fund 2006/2007



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**Presented to Parliament by the Secretary of State
for Work and Pensions by Command of Her Majesty
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PREFACE

I am pleased to present my report on the Social Fund for 2006/07.

In 2006/07, an estimated £2.0 billion was spent on Winter Fuel Payments, providing reassurance to 11.7 million pensioners that they could afford to heat their homes in winter. Around 237,000 families were awarded a £500 grant to help with the costs of a new baby and in respect of other parts of the Social Fund scheme, more than 3 million awards were made.

A significant package of changes affecting both Budgeting Loan and Crisis Loan applicants was successfully introduced on 3rd April 2006. These changes simplified the basis on which Budgeting Loan offers are made, and extended access to Budgeting Loans to those with modest savings so that the Social Fund is able to play a more effective role in helping those families most vulnerable to high cost lenders. For both types of loan the highest repayment rates were reduced to make them more affordable, and customers now benefit from easier access to further loans whilst existing ones are still being repaid.

I am pleased to report that the main aims underlying the changes have been met. In 2006/07 nearly 1.3 million Budgeting Loan awards were made – more than ever before. In particular, the vast majority of customers getting a loan since the April 2006 changes have benefited from the lower repayment rates and longer repayment periods introduced as part of the package.

We continue to keep key aspects of Social Fund delivery under review, especially in the light of the huge modernisation of service delivery underway within Jobcentre Plus. Ultimately for Social Fund, this means processing all work from just 20 large Benefit Delivery Centres across the country. In 2006/07, 10 of these Centres went fully live, with the remainder on target to go live by the end of this year.

A Work and Pensions Committee report on the Social Fund was published on 23rd May 2007 and the Government is responding to the recommendations of the Committee. The report highlights issues associated with the early stages of centralisation of Social Fund delivery. These are being tackled as part of significant ongoing work to both maintain and strengthen services during this challenging period of organisational change.

The Social Fund will continue to have an important role to play in helping vulnerable people on low incomes cope with expenses they cannot meet from regular income. But the Government also wants to expand people's ability to manage their money and to plan ahead. This includes improving awareness of, and confidence in, using basic financial services such as bank accounts, savings and insurance. Further work in the context of Social Fund reform will consider how the Budgeting Loan scheme can also contribute to the wider strategy for promoting financial inclusion.



PETER HAIN
Secretary of State for Work and Pensions

1. INTRODUCTION

- 1.1 This is the nineteenth annual report to Parliament on the operation of the Social Fund for Great Britain required by sections 167(5) and (6) of the Social Security Administration Act 1992.
- 1.2 The Social Fund scheme complements mainstream social security provision in two forms: a regulated scheme made up of Maternity, Funeral, Cold Weather and Winter Fuel Payments; and, a discretionary scheme comprising Community Care Grants and repayable Budgeting and Crisis Loans.
- 1.3 Receipts and payments are shown in detail in the annual account of the Social Fund which is produced using the latest available data on encashed payments and after reconciliation of loan balances between accounting records. Once prepared, the annual account is subject to scrutiny by the Comptroller and Auditor General who lays the account, together with his report on it, before Parliament. However, the figures in this report are taken from the Department's Policy, Budget and Management Information System and from scans of the Social Fund Computer System and are based on decisions to make a payment.

2. THE REGULATED SOCIAL FUND

Sure Start Maternity Grants

- 2.1 The Sure Start Maternity Grant is a payment of £500. It provides help for families with the costs associated with the expenses of each baby that is expected, born, adopted, the subject of a parental order (following a surrogate birth), or the subject of a residence order (in certain circumstances).
- 2.2 It is available to recipients, and partners of recipients, of Income Support, income-based Jobseeker's Allowance, Pension Credit, Child Tax Credit (at a rate higher than the family element), or Working Tax Credit (which includes a disability or a severe disability element). This ensures that the grant is as widely available as possible amongst people with lower incomes.
- 2.3 Sure Start Maternity Grant statistics are in Annexes 1 and 2.

Funeral Payments

- 2.4 The Funeral Payment scheme has continued to provide for a simple, respectful, low-cost funeral to recipients, and partners of recipients, of income-related benefits and tax credits (see full list at paragraph 2.5 below). This ensures that the payment is as widely available as possible amongst people with lower incomes.
- 2.5 The full list of qualifying benefits and tax credits is: Income Support, income-based Jobseeker's Allowance, Pension Credit, Child Tax Credit (at a rate higher than the family element), Working Tax Credit (which includes a disability or severe disability element), Housing Benefit and Council Tax Benefit.

- 2.6 As a consequence of the extension of Child Benefit to certain 19 year olds in non-advanced education or on approved training courses, the legislation has been changed from 6th April 2006 to add these groups to the list of those excluded from the "immediate family member" and "nature and extent of contact" tests.
- 2.7 Funeral Payment statistics are in Annexes 1 and 2.

Cold Weather Payments

- 2.8 The annual review of the Cold Weather Payments scheme took place in the summer of 2006. The review included: an assessment of the continuing availability of the weather stations used to provide temperature data for the scheme; whether any new stations are more suitable or should be introduced in addition to those currently used; and the impact on weather station linkages of changes to the postcode system by the Royal Mail.
- 2.9 As a result of the review, one weather station used previously in the scheme was replaced by a new weather station. There are currently 74 weather stations covering Great Britain.
- 2.10 Representations from Members of Parliament and a Councillor about the suitability of individual weather stations or their links with postcode districts, were also carefully considered. This resulted in changing three postcode to weather station linkages.
- 2.11 Cold Weather Payments are available to people on Pension Credit, and vulnerable groups in receipt of Income Support or income-based Jobseeker's Allowance. Every residential postcode in the country is linked to one of 74 weather stations used in the scheme. A payment of £8.50 is made when the average temperature has been recorded as, or is forecast to be, 0°C or below over seven consecutive days at the weather station linked to the eligible customer's postcode.
- 2.12 Eligible customers are those awarded Pension Credit, or those awarded Income Support or income-based Jobseeker's Allowance who have a pensioner or disability premium or have a child who is disabled or under the age of five.
- 2.13 A summary of Cold Weather Payments is included in Annex 1.

Winter Fuel Payments

- 2.14 Winter Fuel Payments are a non contributory benefit to enable people aged 60 or over to meet heating expenses. They are tax free and do not affect entitlement to other social security benefits. Forecasts indicate that 11.7 million people in 8.6 million households benefited from a Winter Fuel Payment in 2006/07. The amounts vary according to circumstances but are basically £200 for a person aged 60-79 years living alone in their own home (£100 if they share a home with another eligible person). For people aged 80 or over the standard rate is £300 (£150 if they share a home with another eligible person). The total spend for 2006/07 on Winter Fuel Payments is estimated to be £2.0 billion.

- 2.15 Most people who are aged 60 or over and normally living in Great Britain are eligible for a Winter Fuel Payment, though there are some exceptions. Some people are eligible to receive a Winter Fuel Payment if they live in another EEA country or Switzerland and if they have previously qualified for a payment in the UK. The qualifying week for winter 2006/07 payments was the week beginning 18 September 2006. The majority of payments were made automatically. However, newly eligible people needed to make a claim if they were not receiving a social security benefit (or receiving only Housing Benefit, Council Tax Benefit or Child Benefit) during the qualifying week.
- 2.16 All successful claims received by 22 September 2006 were paid by Christmas.

3. THE DISCRETIONARY SOCIAL FUND

Policy changes pending

- 3.1 The Welfare Reform Act 2007 has amended Section 168 of the Social Security Administration Act with regard to allocations that can be made by the Secretary of State for Community Care Grants and loans.
- 3.2 The amended powers mean that there is flexibility as to how allocations are made, and in particular, make it clear that it is open to the Secretary of State to make a single allocation from which loans may be made nationwide.
- 3.3 A single national loans budget, managed centrally, guarantees all loan applicants in the same circumstances the same treatment under the budget. This ensures consistency of outcome for Budgeting Loan applicants will be maintained.
- 3.4 We intend to operate a single national loans budget as soon as practicable.

Policy changes implemented

- 3.5 From April 2006 significant policy improvements to the loans scheme were introduced. The changes:
- abolished the “double debt rule” (whereby someone’s available Budgeting Loan award was their maximum amount minus twice their existing Budgeting Loan debt) and replaced it with a single debt rule.
 - introduced just three rates of Budgeting Loan maximum amount that can be offered to eligible applicants. There is a rate for single people, one for couples without children and one for families (including lone parents) with children. The rates can vary during the year according to demand on the loans budget. (As before, setting the rates of maximum amount is the mechanism for containing expenditure within the cash limit).
 - increased the minimum Budgeting Loan that can be awarded from £30 to £100.

- increased the amount of capital that a Budgeting Loan applicant can have. The capital allowed before it affects a loan award is doubled to £1,000 (under age 60) and £2,000 (age 60 or over).
 - reduced the highest of the loan repayment rates of 15% and 25% to 12% and 20% respectively and increased the period of time in which a loan can be repaid (this applies equally to Budgeting Loans and Crisis Loans).
 - increased the overall debt limit (for Budgeting Loans and Crisis Loans combined) from £1,000 to £1,500.
- 3.6** The changes were successfully introduced from 3rd April 2006 and apply to all loan applications made on or after that date. The changes make it easier for applicants to understand how their loan offer has been worked out.
- 3.7** In addition, the easing of repayment terms reduces the risk that people will be deterred from applying for loans by unaffordable repayment rates. In 2006/07 more than 95% of initial Budgeting Loan awards made under the new rules have an agreed repayment rate of 12% or less of weekly available income. Less than 5% of awards had to be based on the applicant repaying at more than 12%.
- 3.8** To support these changes, an additional £210 million AME funding is allocated to the net discretionary loans budget over the 3 years 2006/07 to 2008/09. The first instalment of £120 million was part of the 2006/07 allocation. (See paragraph 5.2).
- 3.9** The changes to the loans scheme are an important step in the plans to reform the Social Fund and to address past recommendations made for improvements, for example by the National Audit Office. In particular the changes have made the Budgeting Loan scheme easier for staff to explain, and give potential applicants a better understanding of how much Budgeting Loan they can access at any given time.

Loans scheme 2006/07

- 3.10** Geographical consistency for all Budgeting Loan applicants has continued in 2006/07, with people in similar personal circumstances applying for Budgeting Loans able to borrow the same amount, irrespective of where they lived. This was achieved by formally advising all local decision makers to apply the same Budgeting Loan maximum amounts. And by making three in year re-allocations to local budgets in support of consistency of outcome nationally. (See paragraph 5.4 about loans budget re-allocations).
- 3.11** The changes introduced by the Welfare Reform Act will improve and simplify future budget planning and management by removing the need for such local adjustments. (See paragraphs 3.1 to 3.4).
- 3.12** We will continue to roll out the arrangements for taking Crisis Loan applications over the telephone. The standard operating model developed within Jobcentre Plus fully supports the service of the initial application by this method.
- 3.13** Full Budgeting Loan statistics are at Annexes 1, 3, 6, 7, 10 and 11. Full Crisis Loan statistics are provided at Annexes 1, 3, 8, 9, 10 and 11.

Community Care Grants 2006/07

- 3.14** The national grants budget was increased to £141 million in 2006/07. The increase (2.2%) was based on ROSSI and represented an increase of £3 million over the 2005/06 budget.
- 3.15** The increase was distributed so that every district received a minimum 1% increase over their April 2005 grants budget. Then, districts that in the past had been able to meet a lower proportion of local demand than the national average, received proportionately higher increases in their 2006/07 budget. But districts which had met higher proportions of demand than the national average still received at least a minimum 1% increase. (See paragraph 6.8 for the 2007/08 grants allocation).
- 3.16** In 2006/07, we have continued the work to redesign the current Community Care Grant application form. The aim is to improve the quality of the initial decision by developing an application format that elicits the right information in the simplest way possible. Improving first time decisions is part of a specific recommendation from the 2005 National Audit Office report. The Independent Review Service has provided significant and valuable input to this work.
- 3.17** The re-designed Community Care Grant application form was introduced from April 2007. Customer and staff feedback will be evaluated throughout 2007/08 and any appropriate modifications and improvements made.
- 3.18** Full Community Care Grant statistics are provided at Annexes 1, 3, 4, 5 and 11.

Reviews

- 3.19** An applicant to the discretionary fund who is dissatisfied with the decision on their case has the right to have the decision reviewed. The principles of the review are straightforward. Consideration is given to whether the law and directions have been followed, whether guidance has been taken into account, and whether the case has been handled fairly and reasonably.
- 3.20** A reviewing officer within Jobcentre Plus carries out the initial review at a local level and the outcome is notified to the applicant. Applicants who remain dissatisfied with the result of the local review can ask for a further review by a Social Fund Inspector at the Independent Review Service, who is fully independent of the Department for Work and Pensions. Social Fund Inspectors are appointed by, and are accountable to, the Social Fund Commissioner. In 2006/07, Social Fund Inspectors reviewed nearly 22,000 reviewing officer decisions.
- 3.21** An amendment to the Social Fund (Application for Review) Regulations came into force from 24th April 2006. This allowed the interim making of an application for a review by a Social Fund Inspector to be made either directly to the Independent Review Service or to Jobcentre Plus. However, from April 2007, customers' applications for a review by a Social Fund Inspector must be made directly to the Independent Review Service only. The change emphasises the independence of the Service and aims to promote increased customer confidence in the review process.
- 3.22** The time taken to clear the local review is a formal clearance standard within Jobcentre Plus. The standard is 10 working days, on average, to clear a local review. In 2006/07, the national standard achieved was 9.8 working days on average. (See paragraphs 4.8 and 4.9).

3.23 The Social Fund Commissioner has reported separately on the standard of reviews carried out by Social Fund Inspectors. His report has been published.

3.24 A summary of Social Fund review applications is set out in Annex 11.

4. GENERAL ADMINISTRATION

Centralisation of benefit delivery

4.1 The Department is centralising all benefits work, including Social Fund, within a number of larger Benefit Delivery Centres. The current intention is that Social Fund work will be processed in 20 of these larger centres. As the centres dealing with Social Fund processing are fully rolled out, local district discretionary Social Fund budgets are being merged to create 23 larger area budgets for the centres to administer.

4.2 Centralisation is a key initiative for Jobcentre Plus, enabling the business to provide a more efficient service that is also more convenient for customers. Linked to this is the development and rollout of a standard operating model. The standard operating model supports staff and managers by providing detailed process maps linked to procedural guidance. It will provide a platform from which to provide improvements in customer service and efficiency over a period of time. The Social Fund part of the standard operating model is being rolled out nationally, as Social Fund work is centralised into Benefit Delivery Centres.

4.3 For Social Fund administration the centralisation of Social Fund work into Benefit Delivery Centres will provide the means to:

- Pull together expertise to handle complex cases
- Deliver Social Fund services that are more consistent
- Smooth out performance variations
- Better support consistency/quality of decision making
- More easily introduce new policies and processes
- More effectively support formal training
- Reduce management overheads

4.4 In 2006/07, 10 Benefit Delivery Centres (BDCs) administering Social Fund achieved full Go Live status. It is planned that the remaining 10 Social Fund delivering BDCs will be Live by the end of this year.

Pensioners and the Social Fund

4.5 The Chief Executives of the Pension Service and Jobcentre Plus, together with the Social Fund Commissioner, have agreed a pilot project in the Gateshead area to investigate the best ways of raising awareness amongst pensioners and encouraging take up of Community Care Grants. The pilot is scheduled to commence live running in summer 2007 for a period of 6 months.

- 4.6 The Pension Service Local Service operates in the community to deliver a face-to-face service to customers who are unable to access The Pension Service via the normal channels such as by telephone. Local Service staff who come into contact with pensioners have a good awareness of the Social Fund. All Local Service staff have attended workshops delivered by the Independent Review Service.
- 4.7 Local Service provides a holistic service for customers during all face-to-face contacts. It supports take-up across a range of benefits, including Social Fund where appropriate, and access to complementary services.

Performance management and improvement

- 4.8 District and national performance is monitored against the comprehensive set of Social Fund clearance and accuracy standards below. The set includes the review standard (see paragraph 3.22 above) and comprises:

Social fund accuracy	80%
Average Actual Clearance Times:	
Community Care Grants	9 days
Budgeting Loans	6 days
Crisis Loans	2 days
Local review	10 days
Funeral Payments	16 days
Sure Start Maternity Grants	5 days

All the above must be met to meet the overall standard.

- 4.9 The achievement against the standard in 2006/07 was:

Average Actual Clearance Times (days)	Standard	Achieved
Community Care Grants	9	9.2
Budgeting Loans	6	3.4
Crisis Loans	2	1.5
Local review of above grants and loans	10	9.8
Funeral Payments	16	12.6
Sure Start Maternity Grants	5	4.1
Accuracy	Standard	Achieved
Social Fund accuracy	80%	92.8%

The overall standard is therefore met for 2006/07, except for Community Care Grants where the achievement was slightly outside the standard.

- 4.10 In the course of their review casework the Independent Review Service is able to identify issues of concern in the overall operation of the discretionary Social Fund. This is another valuable source of feedback to inform performance improvement plans, not only with regard to standards of decision making, but in more general operational performance. Departmental officials continue to work closely with the Independent Review Service to resolve issues, and to improve Social Fund administration.
- 4.11 During 2007/08, Jobcentre Plus will be working on a new quality assurance framework for Social Fund. Until the new framework has been developed and tested, Jobcentre Plus will continue to monitor the accuracy of Social Fund payments by means of local checking arrangements.

Improvements to IT

- 4.12** In October 2006, a change was implemented to the Social Fund Computer System that addressed a previous recommendation of the National Audit Office to upgrade the system and improve administration. The change increased the capacity in respect of the number of applications and repayable loans held on the system for an individual customer. This is expected to deliver processing of almost all Social Fund applications via the system – thus reducing expensive off system clerical activity.
- 4.13** Also from October 2006, Budgeting Loan notifications were amended so that they now signpost customers to information on money management. This is part of cross government initiatives to promote financial inclusion.
- 4.14** From April 2007, Social Fund Computer System notifications have been amended to make it clear to customers that they should write directly to the Independent Review Service if they want an independent review.

Publicity for customers

- 4.15** To further help in raising awareness of the Fund amongst customers, information on the Fund is available in a series of leaflets targeted at 4 specific client groups which are: Lone parents; Sick, disabled and carers; School leavers and students; and People out of work. The leaflets direct customers to relevant benefits, including payments from the Social Fund.
- 4.16** Jobcentre Plus also produces four Social Fund leaflets for customers, covering:
- the discretionary part of the Social Fund (Community Care Grants, Budgeting and Crisis Loans)
 - Funeral Payments
 - Sure Start Maternity Grants
 - Cold Weather Payments/Winter Fuel Payments
- These have been made available through Jobcentre Plus offices and Pensions centres or front-line staff on request. The Department's internet site also contains a detailed guide to all of the Social Fund for customers and their advisors.
- 4.17** As per the announcement in PBR 2005, from October 2006 Jobcentre Plus has provided Budgeting Loan applicants with information on where to get financial education by inserting advice:
- in the Budgeting Loan decision letter; and
 - on the Jobcentre Plus website where applicants visit to download the application budgeting loan form.
- 4.18** The Department's internet site (www.dwp.gov.uk) provides access to Social Fund claim forms, application forms and leaflets.

5. FINANCIAL ISSUES

Background

- 5.1 Payments from the regulated Social Fund are not limited by a budget. Regulations prescribe the circumstances and amounts payable. For the discretionary Social Fund, cash limited budgets are allocated to individual Jobcentre Plus districts.

The 2006/07 discretionary Social Fund budget

- 5.2 In April 2006 the standing net discretionary Social Fund budget was £178.2 million. In addition to the £178.2 million, the discretionary Social Fund was given an amount of £120 million net funding specifically for changes to the loans scheme from April 2006. The £178.2 million + £120 million, together with the forecast for 2006/07 loan recoveries of £543.8 million, allowed a total gross discretionary budget of £842 million to be set at the start of the 2006/07 allocations year.

- 5.3 The total Social Fund gross discretionary budgets for Great Britain at 1 April 2006 were:

Community Care Grants	£141 million
Loans	£700 million
Contingency reserve	£1 million

The recovery forecast for the year was £543.8 million.

Re-allocation of the loans budget

- 5.4 During the year there were several minor re-allocations of loans budget funding between Jobcentre Plus districts. These amounted to £24.1m in August 2006, £14.5m in December 2006, and £5.7m in March 2007. The funds were taken from some of those districts with a projected end of year underspend and given to other districts. This enabled all districts to continue to offer similar Budgeting Loan amounts to the end of the year, achieving maximum consistency for applicants wherever they live.

Allocations to Jobcentre Plus districts

- 5.5 The basis for both the initial 2006/07 loans budget allocation and the subsequent in-year re-allocation of budgets, was to provide applicants with broadly similar personal circumstances the same level of Budgeting Loan assistance wherever they live.

Payments from the contingency reserve

- 5.6 During the year there were no applications for additional funding from the contingency reserve.

Recoveries

- 5.7 The National Audit Office report in 2005 acknowledged that normal recovery from benefit arrangements are effective and efficient. It also praised the steps being taken by the Department to improve off benefit recovery (meaning recovery from people who are no longer receiving benefits from which the Department can automatically recover).

- 5.8 The Department's Debt Management organisation, which is dedicated to maximising recovery of Departmental debt, now actively manages the Social Fund off benefit caseload. This fully supports the recommendation of the National Audit Office to give greater priority to recovering old Social Fund loan debt. In 2006/07, almost 229,000 off benefit cases were referred to Debt Management.
- 5.9 £552.0 million was recovered through the repayment of loans during 2006/07, £8.2 million over the target set at the start of the year.
- 5.10 Funeral Payments are recoverable from the estate of the deceased. In 2006/07, £1.0 million was recovered.
- 5.11 Details of recoveries are given in Annexes 1 and 10.

6. SUMMARY OF FINANCIAL PERFORMANCE

- 6.1 During the year the Social Fund has, in total, provided payments worth over £996 million. In addition, forecasts indicate that Winter Fuel Payments of £2.0 billion have been made to 8.6 million households that include someone aged 60 or over.
- 6.2 Compared to 2005/06, the figures for 2006/07 show:
- Overall there were 3,796,000 applications to the discretionary Social Fund, 212,000 more than in 2005/06.
 - Applications for Community Care Grants increased by 3.5% from 578,000 to 598,000.
 - The proportion of grant decisions resulting in an initial award decreased from 47.8% to 45.5%.
 - Applications for Crisis Loans increased by 6.0% from 1,366,000 to 1,448,000.
 - The proportion of Crisis Loan decisions resulting in an initial award remained almost the same at 74.4%.
 - Applications for Budgeting Loans increased by 6.7% from 1,640,000 to 1,750,000 and the average initial award increased from £423 to £451.
 - The proportion of Budgeting Loan decisions resulting in an initial award remained the same at 74.4%.
- 6.3 Gross expenditure on Budgeting Loans was £590.4 million, and gross expenditure on Crisis Loans was £97.9 million. Expenditure on Community Care Grants was £139.3 million.
- 6.4 Loan recoveries during the year were £552.0 million against a recovery target of £543.8 million. Recoveries provided 80% of the funds needed to meet gross loans expenditure.
- 6.5 Overall during 2006/07, the discretionary Social Fund provided help in the form of over 2.6 million awards.

The discretionary Social Fund budget for 2007/08 and its allocation

- 6.6** In 2007/08 the standing net discretionary Social Fund budget of £178.2 million is increased by an injection of net funding of £50 million. The £50 million is for the net loans budget only. The gross discretionary Social Fund budget for 2007/08 is £752 million.
- 6.7** An amount of £610 million has been allocated for loans of which £523.8 million will be provided through the repayment of loans. Budgeting Loan applicants will continue to benefit from the same treatment of their circumstances wherever they live. In year allocations and re-allocations of district loans budgets will be made with the aim of consistency of outcome for all applicants.
- 6.8** An amount of £141 million has been allocated to the national grants budget. Its allocation to Jobcentre Plus districts is the same as for 2006/07 after taking district boundary changes into account.
- 6.9** £1 million has been retained centrally to provide a contingency reserve to support any Jobcentre Plus district budget that comes under pressure from unforeseen expenditure.
- 6.10** The 2007/08 discretionary Social Fund budget was allocated on 1st April 2007 to 42 Jobcentre Plus district budgets.

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NATIONAL SOCIAL FUND SUMMARY STATISTICS

	REGULATED SOCIAL FUND			DISCRETIONARY SOCIAL FUND		
	SSMG	CWP	FP	CCG	BL	CL
Applications received (000)	330	N/A	67	598	1,750	1,448
Initial decisions (000)	330	N/A	67	596	1,745	1,441
Awards (000)	237	402	41	271	1,298	1,072
Awards as % of initial decisions	71.7	N/A	61.1	45.5	74.4	74.4
Initial refusals (000)	105	N/A	28	324	411	334
Gross expenditure £m	119.8	3.4	46.0	139.3	590.4	97.9
Recoveries £m	N/A	N/A	1.0	N/A	482.9	69.1
Net expenditure £m	119.8	3.4	45.1	139.3	107.5	28.8
Average award £	506	N/A	1,117	420	451	88

KEY

SSMG = SURE START MATERNITY GRANT

CWP = COLD WEATHER PAYMENT

FP = FUNERAL PAYMENT

N/A = not applicable

CCG = COMMUNITY CARE GRANT

BL = BUDGETING LOAN

CL = CRISIS LOAN

NOTES:

1. Average SSMG award reflects multiple births.
2. There is no requirement to claim Cold Weather Payments.
3. The number of discretionary awards made after review is not included in the table. However, gross expenditure does include awards made after review, reconsideration or appeal.
4. For the regulated Social Fund, the method of calculating average awards is to divide gross expenditure by the number of awards (including those made after reconsideration or appeal).
5. For the discretionary Social Fund, the method of calculating average awards is to divide initial gross expenditure (excluding the value of review awards) by the number of initial awards.
6. The difference between applications received, initial decisions, awards and initial refusals, is due to: applications being withdrawn; applicants rejecting or not responding to loan offers; and, not decided at the time the count was made.
7. Figures and percentages may not sum due to rounding.

SURE START MATERNITY GRANTS AND FUNERAL PAYMENTS

AWARDS BY CLAIMANT GROUP

Claimant Group	Sure Start Maternity Grants		Funeral Payments	
	Awards (000)	% of Awards	Awards (000)	% of Awards
Pensioners	0.5	0.2	20.3	49.3
Unemployed	17.0	7.2	1.9	4.6
Disabled	13.0	5.5	4.8	11.7
Lone parent	58.3	24.6	3.0	7.2
Employed	53.7	22.7	1.8	4.5
Others	94.3	39.8	9.4	22.7

AWARDS BY QUALIFYING BENEFIT OR TAX CREDIT

Qualifying Benefit	Sure Start Maternity Grants		Funeral Payments	
	Awards (000)	%	Awards (000)	%
Income Support, Jobseekers Allowance (income based) and Pension Credit	123.5	52.2	31.0	75.2
Child Tax Credit (at a rate higher than the family element)/Working Tax Credit (which includes a disability or a severe disability element)	113.2	47.8	3.3	8.0
Housing Benefit & Council Tax Benefit	N/A	N/A	6.9	16.8
Total	236.7	100	41.2	100

NOTES:

1. Claimant group definitions are in Annex 13.
2. If an award is made to a claimant who receives more than one qualifying benefit or tax credit, then the award is recorded under the qualifying benefit or tax credit which appears first in the table above.
3. Figures and percentages may not sum due to rounding.

DISCRETIONARY GRANTS AND LOANS**GROSS EXPENDITURE BY APPLICANT GROUP**

Applicant Group	Community Care Grants		Budgeting Loans		Crisis Loans	
	Amount £m	%	Amount £m	%	Amount £m	%
Pensioners	13.7	9.8	32.0	5.4	1.6	1.7
Unemployed	15.9	11.4	60.5	10.2	36.8	37.5
Disabled	47.0	33.7	158.5	26.8	21.6	22.1
Lone Parents	47.4	34.0	303.1	51.3	19.9	20.3
Others	15.3	11.0	36.4	6.2	18.0	18.4

NOTES:

1. Applicant group definitions are in Annex 13.
2. This table includes awards on review.
3. Figures and percentages may not sum due to rounding.

COMMUNITY CARE GRANTS**EXPENDITURE BY DIRECTION 4**

Direction 4 Condition Satisfied	Amount £m	% of Total Expenditure
Direction 4(a)(i) People moving out of institutional or residential care	9.4	6.8
Direction 4(a)(ii) Helping people stay in the community	41.9	30.1
Direction 4(a)(iii) Families under exceptional pressure	75.5	54.2
Direction 4(a)(iv) Prisoner or young offender on release on temporary licence	0.1	0.1
Direction 4(a)(v) People setting up home as a planned programme of resettlement	10.4	7.5
Direction 4(b) Travelling expenses	2.0	1.4

NOTES:

1. *If more than one condition is satisfied by an application it will be recorded under the first condition, in the order set out in the table.*
2. *Figures are estimated as the Management Information System does not split expenditure made after a review by the part of direction 4 satisfied.*
3. *The method of estimation has been changed this year compared with previous years.*
4. *Figures and percentages may not sum due to rounding.*

COMMUNITY CARE GRANT

ANNEX 5

REASONS FOR INITIAL REFUSAL BY APPLICANT GROUP

Counts

Reason for Refusal	Pensioners	Unemployed	Disabled	Lone Parents	Others	Total
Savings sufficient to meet cost	400	~	200	~	~	600
Not in receipt of IS/JSA(IB)/PC & unlikely to be	1,300	9,100	11,600	1,700	29,100	52,700
Excluded items	800	1,500	2,400	2,500	1,000	8,300
Amount less than £30, not travelling expenses	~	~	100	~	~	200
Direction 4 not satisfied	10,500	57,500	46,000	61,100	26,600	201,800
Previous application and decision	700	2,800	4,300	3,700	1,900	13,500
Insufficient priority	4,000	3,400	18,900	11,000	5,300	42,500
Other	400	300	1,300	800	500	3,200
Total	18,100	74,700	84,700	80,900	64,500	322,900

Percentages

Reason for Refusal	Pensioners	Unemployed	Disabled	Lone Parents	Others	Total
Savings sufficient to meet costs	2%	#	#	#	#	#
Not in receipt of IS/JSA(IB)/PC & unlikely to be	7%	12%	14%	2%	45%	16%
Excluded items	5%	2%	3%	3%	2%	3%
Amount less than £30, not travelling expenses	#	#	#	#	#	#
Direction 4 not satisfied	58%	77%	54%	76%	41%	62%
Previous application and decision	4%	4%	5%	5%	3%	4%
Insufficient priority	22%	5%	22%	14%	8%	13%
Other	2%	#	1%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%

KEY

IS = INCOME SUPPORT

JSA(IB) = INCOME-BASED JOBSEEKERS ALLOWANCE

PC = PENSION CREDIT

NOTES:

1. Figures are rounded to the nearest 100.
2. ~ represents less than 50.
3. # represents less than 0.5%.
4. Figures and percentages may not sum due to rounding.
5. Applicant group definitions are in Annex 13.
6. This information is obtained from a scan of the Social Fund Computer System. The overall totals may therefore differ slightly from those at Annex 1.

BUDGETING LOANS AWARDS BY FAMILY SIZE
(INCLUDING COMPARISON WITH 2005/06)

	Number of Awards (000s)	Gross Expenditure £m	Average Award £	% of Awards		% of Gross Expenditure	
				2005/06	2006/07	2005/06	2006/07
Single person, no children	476	143.9	302	36.7	37.0	27.3	24.7
Couple, no children	67	25.7	385	5.2	5.2	5.0	4.4
Single person or couple with children	746	412.1	553	58.1	57.9	67.7	70.8

NOTES:

1. This table does not include awards and gross expenditure on review.
2. Not included in the table are 10,000 awards for which no partner flag was recorded. This accounts for less than 1% of the total number of initial awards.
3. Figures and percentages may not sum due to rounding.
4. Obtained from extracts from the Social Fund Computer System.

BUDGETING LOAN REASONS FOR REFUSAL BY APPLICANT GROUP

Counts

	Pensioners	Disabled	Lone Parents	Unemployed	Others	Total
Outstanding debt	8,000	66,200	61,100	37,800	20,200	193,400
Not on IS/JSA(IB)/PC	1,100	5,300	1,400	19,900	49,400	77,200
Not in receipt of qualifying benefit for 26 weeks	1,600	9,900	32,100	65,200	22,700	131,500
Other	600	2,400	2,400	2,200	1,200	8,700
Total	11,300	83,900	97,000	125,200	93,500	410,800

Percentages

	Pensioners	Disabled	Lone Parents	Unemployed	Others	Total
Outstanding debt	71%	79%	63%	30%	22%	47%
Not on IS/JSA(IB)/PC	10%	6%	1%	16%	53%	19%
Not in receipt of qualifying benefit for 26 weeks	14%	12%	33%	52%	24%	32%
Other	5%	3%	2%	2%	1%	2%
Total	100%	100%	100%	100%	100%	100%

KEY

IS = INCOME SUPPORT

JSA(IB) = INCOME-BASED JOBSEEKERS ALLOWANCE

PC = PENSION CREDIT

NOTES:

1. Numbers are rounded to the nearest 100.
2. Figures and percentages may not sum due to rounding.

CRISIS LOANS**GROSS EXPENDITURE BY APPLICATION PURPOSE**

Purpose	Amount £m	% of Gross Expenditure
Items or services	37.3	38.9
Rent in advance	4.0	4.1
Living expenses (general)	22.9	23.8
Living expenses (alignment) ⁽²⁾	31.8	33.1

NOTES:

1. *Figures and percentages may not sum due to rounding.*
2. *An alignment payment is to cover living expenses up to the first payment of benefit or wages.*

CRISIS LOANS

ANNEX 9

REASONS FOR INITIAL REFUSAL BY APPLICANT GROUP

Counts

	Pensioners	Unemployed	Disabled	Lone Parents	Others	Total
No serious risk to health & safety	2,800	122,800	56,700	45,100	47,400	274,800
Help available from another source	100	300	500	500	300	1,800
Excluded items	400	6,400	3,600	3,400	4,100	17,800
Inability to repay	~	2,100	700	600	1,000	4,300
Suitable alternative	~	~	100	100	~	300
Enough money to pay for crisis	~	~	~	~	~	~
Previous application & SFO decision	300	11,100	4,900	3,500	4,100	23,900
Insufficient priority	~	200	100	100	100	600
JSA sanction/disallowance	~	2,400	~	~	100	2,600
Other	~	1,500	1,200	600	700	4,100
Total	3,600	147,000	67,800	53,900	57,900	330,100

Percentages

	Pensioners	Unemployed	Disabled	Lone Parents	Others	Total
No serious risk to health & safety	77%	84%	84%	84%	82%	83%
Help available from another source	3%	#	1%	1%	1%	1%
Excluded items	10%	4%	5%	6%	7%	5%
Inability to repay	#	1%	1%	1%	2%	1%
Suitable alternative	#	#	#	#	#	#
Enough money to pay for crisis	#	#	#	#	#	#
Previous application & SFO decision	8%	8%	7%	6%	7%	7%
Insufficient priority	#	#	#	#	#	#
JSA sanction/disallowance	#	2%	#	#	#	1%
Other	1%	1%	2%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%

NOTES:

1. Figures are rounded to the nearest 100.
2. ~ represents less than 50.
3. # represents less than 0.5%.
4. Figures and percentages may not sum due to rounding.
5. Applicant group definitions are in Annex 13.
6. This information is obtained from a scan of the Social Fund Computer System. The overall totals may therefore differ slightly from those at Annex 1.

LOAN RECOVERY

AVERAGE WEEKLY REPAYMENT DEDUCTIONS FROM INCOME SUPPORT, JOBSEEKERS ALLOWANCE AND PENSION CREDIT

		May 2006	August 2006	November 2006	February 2007
Average deduction	IS	£11.42	£11.20	£11.11	£11.07
	JSA	£7.40	£7.28	£7.18	£7.13
	PC	£10.95	£10.89	£10.82	£10.66
Number of deductions	IS	725,000	738,000	745,000	771,000
	JSA	115,000	122,000	116,000	125,000
	PC	62,000	66,000	67,000	69,000

NOTE:

1. Data from Income Support, Jobseekers Allowance and Pension Credit Quarterly Statistical Enquiries.

REPAYMENT SOURCE 2006/07

	Crisis Loans		Budgeting Loans	
	Amount £m	%	Amount £m	%
Income Support & Pension Credit	37.6	54.3	431.9	89.4
Jobseekers Allowance	18.5	26.7	34.7	7.2
Other benefits	10.5	15.2	8.1	1.7
Cash	2.5	3.7	8.3	1.7

NOTES:

1. Figures and percentages may not sum due to rounding.
2. Social Fund loans are recoverable from most Social Security benefits.

SUMMARY OF SOCIAL FUND REVIEW APPLICATIONS

First Reviews	CCG	BL	CL	Total
Number of applications for first review	96,777	22,062	33,733	152,572
Number of decisions revised at first review	50,040	3,150	16,444	69,634
Percentage	52	14	49	46

IRS Reviews	CCG	BL	CL	Total
Number of applications for SFI review	16,114	1,949	4,998	23,061
IRS Decisions	15,852	1,944	4,954	22,750
Number of reviewing officer decisions reviewed	15,372	1,821	4,799	21,992
Number of reviewing officer decisions confirmed	7,087	1,670	2,013	10,770
Percentage confirmed	46	92	42	49
Number of decisions substituted by SFI	8,274	151	2,783	11,208
Percentage substituted	54	8	58	51
Number referred for re-determination	11	0	3	14
Percentage referred for re-determination	#	0	#	#

NOTES:

- This does not include 493 decisions made under section 38(5) of the Act. In these cases the Social Fund Inspector is reviewing a Social Fund Inspector's decision not a decision made at the agency. The law does not give the Social Fund Inspector the power to confirm, substitute or refer back, an Inspector can only change or not change the decision.*
- The number of reviewing officer decisions reviewed excludes applications for Social Fund Inspector review that were outside the Inspector's jurisdiction or withdrawn.*
- # represents less than 0.5%.*

Appeals – 2005/2006

Figures are available for Social Fund Appeals dealt with at Appeals Tribunals

Type of Payment	Number of appeals	Number heard and decided at hearing	Number decided in appellant's favour	Percentage decided in appellant's favour
Funeral Payments	2,500	1,780	280	16
Sure Start Maternity Grants	980	550	60	10

NOTES:

1. *Figures are rounded to the nearest 10.*
2. *Percentages have been calculated using non-rounded figures.*

Client Groups

Social fund payments are wide ranging from payments to help with intermittent unexpected expenses, (mainly to those in receipt of qualifying benefits), to payments aimed at certain groups to help with particular events. The fund does not therefore fall exclusively into any one of the Departmental client groups of **Children, Working Age and Older People**, although Social Fund payments are either paid to, or benefit, all of these groups. Some statistics in this report are shown by applicant or claimant groups that fall into one or more of the wider client groups.

APPLICANT OR CLAIMANT GROUP DEFINITIONS

PENSIONERS

Includes:

- applicant or partner aged 60 or over with Pension Credit
- applicant or partner aged 60 or over in receipt of state retirement pension

Includes also where applicant is under 60 and partner is:

- 60 or over with Income Support pensioner premium
 - 80 or over with Income Support (IS) higher pensioner premium
 - 60-79, disabled with IS higher pensioner premium
-

UNEMPLOYED

Includes:

- unemployed, or with training allowance, with JSA(IB) family premium
 - unemployed, or with training allowance, without JSA(IB) family premium
-

DISABLED

Includes:

- applicant or partner aged under 60 with IS disability premium
 - lone parent with IS disability premium
 - family with IS disability premium
 - others with IS disability premium
 - in receipt of other benefit for incapacity or disablement
-

LONE PARENT

Includes:

- person in receipt of IS who has no partner and is responsible for a child under the age of 16
-

OTHERS

Includes:

- others with or without IS family premium
- involved in a trade dispute
- in paid employment
- not known or unallocated

NOTE: It is possible that an applicant who is unemployed may receive a disability, pensioner or lone parent premium. Such an applicant would be counted as Unemployed.



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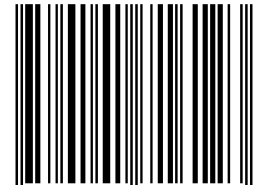
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