

DWP Social Fund

Information Guide 12: For Residents and Advisers

10th April 2024

www.wolverhampton.gov.uk

1. Introduction

When people are living on a low income or benefits, budgeting for large or unexpected items of expenditure can prove difficult. The Department for Work and Pensions (DWP) provides a number of different types of interest free loans and grants which are designed to help at times of specific need. This Information Guide explains what help is available.

DWP Social Fund:

- Budgeting Loans
- Sure Start Maternity Grants
- Funeral Expenses Payments
- Short-term Advance Payments

Universal Credit:

- Advance Payments
- Budgeting Advance Payments

It also provides information on Cold Weather Payments and Winter Fuel Payments and the Family Fund (a charity that can provide financial assistance to families with a disabled child or young person).



2. DWP Social Fund

The Social Fund provides a range of interest free loans, grants and lump sum payments which can be applied for by some benefit claimants. Under the Social Fund a person can make an application for:

A. Budgeting Loan

A 'Budgeting Loan' may be claimed when a person needs money for:

- furniture / household equipment
- clothing and footwear
- home repairs, maintenance or security
- rent in advance
- removal expenses
- expenses relating to looking for work or re-entering work
- travel expenses
- maternity expenses and baby items
- a funeral expense (but see also C. Funeral Expenses Payment on page 3)

In addition, a Budgeting Loan may also be claimed to meet hire purchase arrangements or debts relating to any of the above items.

The maximum Budgeting Loan amount is:

- £348.00 for a single person
- £464.00 for a couple without a child
- £812.00 for a lone parent / couple with a child

The minimum Budgeting Loan is £100.



Note: If a person is getting **Universal Credit**, then they will not be eligible for a Budgeting Loan. They must instead apply for a Universal Credit Budgeting Advance. See page 7.



To qualify for a Budgeting Loan the claimant (and/or their partner) must have been receiving a 'qualifying benefit' (see page 4) for at least 26 weeks (gaps of 28 days are ignored) by the date upon which the application for the Budgeting Loan is determined.

Any eligible Budgeting Loan amount will be reduced by the amount of savings the claimant (and/or their partner) has above £1,000 (£2,000 if the claimant or their partner is aged 63 or over).

An application for a Budgeting Loan may be made online (see this [LINK](#)) or using claim form SF500. The form should be available from a person's local Job Centre or direct from the DWP (Telephone: 0800 169 0140) or online - type 'SF500' into your browser.

The DWP will look to recover the loan through weekly deductions from benefit. The maximum weekly repayment amount is 20% of the person's benefit. The expectation is that any loan must be repaid within 104 weeks.

There is no right of appeal against a decision which refuses to award a Budgeting Loan. However, a person can ask the DWP to look at its decision again where there is fresh evidence or information about their situation which had it been known may have had a bearing on the outcome of the application.

B. Sure Start Maternity Grant (SSMG)

A Sure Start Maternity Grant may be claimed for maternity needs where the claimant or their partner (or a daughter for whom they receive Child Benefit) is pregnant or has recently given birth.



The actual claim may be made at any time from 11 weeks before the expected date of childbirth up until six months after the actual date of birth (prior to 18.10.2018 the test was given birth within the last 3 months) including still births after 24 weeks of pregnancy, providing the claimant (or their partner) is getting a 'qualifying benefit' (see page 4) at the time of claim.

The amount of any Sure Start Maternity Grant is £500 for each expected child. An application for a Sure Start Maternity Grant may be made using claim form SF100. The form should be available from a person's local Job Centre or direct from the DWP (Telephone: 0800 169 0140) or online - type 'SF100' into your browser.

When making a claim, the claimant will need to provide a MAT B1 if claiming before the birth or the birth certificate of the child if applying after the birth of the child.

The amount awarded is not affected by the savings the claimant (and/or their partner) has.

Note: A person may not qualify for a Sure Start Maternity Grant if they already have a child aged under 16. If there is already a child under 16 and now twins / triplets are expected or born, then an award will be made for all the expected children less one. If a person is claiming for a young daughter for whom they receive Child Benefit, then a Sure Start Maternity Grant will be payable providing the daughter does not already have a child.

Since **8th June 2023** people with a child or children born before they came to the UK can claim a Sure Start Maternity Grant for their first-born child in the UK if either they:

- left Afghanistan because of the collapse of the Afghan government which happened on 15 August 2021; or
- were resident in Ukraine immediately before 1st January 2022 and they left because of the Russian invasion which happened on 24 February 2022.

The DWP have introduced a temporary transition period meaning that parents who meet the Afghan or Ukrainian criteria but didn't apply for an SSMG within 6 months of their baby being born, were able to make a claim up to 8th December 2023.



People who are adopting a child aged under 12 months may also claim a Sure Start Maternity Grant in a similar way.

If a person is turned down for a Sure Start Maternity Grant, then they may ask for a Mandatory Reconsideration of the decision. If the decision remains unchanged, then they can appeal against the decision in question. Do seek further information and advice as necessary because time limits apply.

C. Funeral Expenses Payment

A '**Funeral Expenses Payment**' may be claimed for expenses associated with a funeral where the claimant (or their partner) may be treated as being 'eligible' to claim and it is 'reasonable' to treat them as being 'responsible' for the costs of the funeral.



A person may be treated as both 'eligible' and 'responsible' if they were:

- the partner of the deceased when s/he died, or
- the deceased was a child for whom they (or their partner) were getting Child Benefit.

A claim may also be made by a parent, son or daughter or another 'close relative' (or a 'close friend') providing that it is accepted that it is 'reasonable' for them to be 'responsible' for the funeral expenses. In some cases, if there is already a 'close relative' aged 18 or over who was in closer contact with the deceased or a 'close relative' aged 18 or over who had equally close contact with the deceased but who is not in receipt of a 'qualifying benefit' (see page 4) then the DWP will refuse the claim for a Funeral Expenses Payment. The rules in this situation can be complex so please do seek further information and advice as necessary.



To qualify the funeral must be that of a person who was living in the United Kingdom and the funeral must normally take place within the United Kingdom. However, there are provisions which enable the costs of a funeral that takes place in a European Economic Area country. In this situation, please do seek further information and advice as necessary.

An application for a Funeral Expenses Payment may be made using claim form SF200. The form should be available from a person's local Job Centre or direct from the DWP (Telephone: 0800 169 0140) or online - type 'SF200' into your browser.

A claim may be made any time from the date of death to six months from the date of the funeral (Note: Not six months from the date of death).

A claim may only be made for certain items associated with the cost of a funeral or cremation. There is a limit of £1,000 on the cost of the undertaker's fees, cost of a coffin, religious costs, flowers and transport.

The amount is intended to cover the cost of a simple funeral. It is frequently the case that the amount allowed falls short of the actual cost of the funeral - burial or cremation.

The DWP can seek to recover the amount of the Funeral Expenses Payment from the deceased estate. If there is a lump sum payment due to the claimant by way of an insurance policy, prepaid funeral plan or burial club (or something equivalent) then the amount payable would be deducted from the overall amount of the Funeral Expenses Payment.

In the event the Funeral Expenses Payment does not cover the whole cost of the funeral then it may be possible that a Budgeting Loan (see page 2) or Universal Credit Budgeting Advance (see page 7) can be obtained to meet a shortfall between the costs of the funeral and the amount of the Funeral Expenses Payment.



If a person is turned down for a Funeral Expenses Payment, then they may ask for a Mandatory Reconsideration of the decision. If the decision remains unchanged, then they can appeal against the decision in question. Do seek further information and advice as necessary not least because time limits apply.

A **Child's Funeral Fund Payment** may be applied for by a funeral director in the case of a funeral of a child aged under 18 or a stillborn child after the 24th week of pregnancy.



The payment is intended to cover the reasonable costs of a burial or cremation. The payment is available irrespective of the parent financial means or whether they are in receipt of certain benefits. However, no payment can be made where a Funeral Expenses Payment has already been made to cover the cost of the same items.

Qualifying Benefit: A 'qualifying benefit' is Universal Credit (but not in the case of a Budgeting Loan), Income Support, Income-related ESA, Income-based JSA, Pension Credit (Guarantee Credit) or Pension Credit (Savings Credit). In the case of a claim for a Sure Start Maternity Grant, it also includes Child Tax Credit and Working Tax Credit where the calculation includes an award of the 'disability element' or 'severe disability element'. In the case of a Funeral Expenses Payment, it includes all the aforementioned benefits plus Housing Benefit.

3. Universal Credit: Advance Payments

Those claiming Universal Credit are able to apply for an **Advance Payment** of Universal Credit if they have applied for Universal Credit but are waiting upon their first payment, providing they may be considered to be in 'financial need' (see below).

A person can get an advance equal to 100% of their Universal Credit entitlement (including housing costs) if they have no or little money to live on at that time. In such circumstances the DWP can give them a loan which will then be recovered from future payments of the Universal Credit.



A person may apply for an Advance Payment through their Work Coach or Universal Credit Journal. Alternatively, they can phone the Universal Credit Service Centre on FREEPHONE 0800 328 5644 to make an application.



Any Advance Payment will need to be repaid by way of deductions from the person's future payments of Universal Credit. The DWP will normally seek to recover an Advance Payment within 24 months (12 months if the Advance Payment was awarded before 12th April 2021). The rate of recovery will normally be 15% of a person's Standard Allowance or 25% of the Standard Allowance if they are working.

Financial Need: Means that there is a likelihood of a 'serious risk of damage to the health or safety' of the claimant or a member of their family because they have not received payment of Universal Credit.

There is no right of appeal against a decision which refuses to award a Universal Credit Advance Payment. However, a person can ask the DWP to look at its decision again where there is fresh evidence or information about their situation which had it been known may have had a bearing on the outcome of the application.

4. Other Benefits: Short-term Advance Payments

Another form of **Advance Payment** (known as a 'Short-term Advance') is available where a person has made an application for a certain benefit, but they have not yet been paid because of some delay and, in consequence, they are in 'financial need'. This provision only applies in respect of the following benefits:

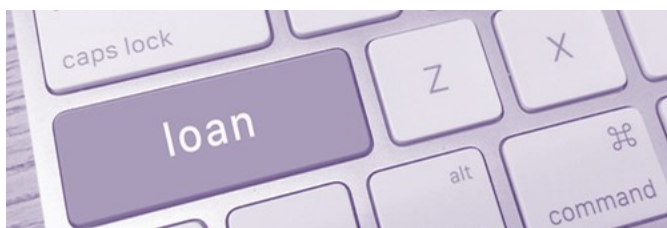
- Pension Credit
- New Style JSA
- New Style ESA
- Carer's Allowance
- State Retirement Pension

The provision does not apply in respect of claims for Housing Benefit, Personal Independence Payment, Disability Living Allowance, Attendance Allowance, Child Benefit and Statutory Sick Pay.

A Short-term Advance can be made to the value of 100% of the value of the benefit being claimed but the DWP will not make an award for an amount greater than they believe the person can afford to repay. The DWP will seek to recover any amount paid within 24 months and through deduction from a person's benefit of no more than 15% (25% if the person is working) of the standard allowance of the benefit concerned.

A person should be able to apply for a Short-term Advance through their local Job Centre or by ringing the DWP office dealing with the benefit claim in question.

Any payment made will be recovered from a person's future benefit payments. Anyone seeking an Advance Payment should contact the office responsible for the payment of the benefit involved.



As in the case of Universal Credit Advance Payments, 'financial need' means that there is a likelihood of a 'serious risk of damage to the health or safety' of the claimant or a member of their family because they have not received payment of a recently claimed benefit.



A Short-term Advance Payment can also be asked for in the situation where a person's circumstances have changed increasing the amount of benefit they are entitled to. For example, a person on Pension Credit might establish an entitlement to the 'severe disability additional amount' and obtain a Short-term Advance Payment to ensure that they receive the money save having to do without until their case has been fully received and payment put into place. A Short-term Advance Payment can be used to get the increase / some of the increase paid sooner than it ordinarily would be.



There is no right of appeal against a decision which refuses to award an Advance Payment. However, a person can ask the DWP to look at its decision again where there is fresh evidence or information about their situation which had it been known may have had a bearing on the outcome of the application.

5. Universal Credit: Budgeting Advance

A Universal Credit Budgeting Advance is available to those getting Universal Credit. It is a lump sum payment of Universal Credit that must be repaid from any future payments of Universal Credit.

A Budgeting Advance can assist with expenses relating to like:

- furniture/household equipment
- clothing and footwear
- essential home repairs and improvements
- removal expenses
- rent in advance
- expenses relating to looking for work or re-entering work
- travel to work costs
- help with maternity expenses
- help with funeral expenses

The minimum Budgeting Advance which can be awarded is £100.

The maximum Budgeting Advance amount is:

- £348.00 for a single person
- £464.00 for a couple without a child
- £812.00 for a lone parent / couple with a child

The amount of any Budgeting Advance is reduced by the amount of savings/capital the claimant (and/or their partner) has above £1,000.



To qualify for a Budgeting Advance the claimant (or their partner) must (unless the request is 'necessarily related' to employment) have been getting Universal Credit (or Income-based JSA, Income-related ESA, Income Support or Pension Credit) for at least six months.

Further, the person must:

- not have earnings within the previous six months exceeding £2,600 (single) or £3,600 (couple); and
- not have an outstanding Budgeting Advance which has not yet been recovered; and
- be able to repay the Budgeting Advance given their current financial situation taking into account any existing debts and other liabilities.

A person may apply for a Budgeting Advance through their Work Coach or Universal Credit Journal. Alternatively, they can phone the Universal Credit Service Centre on FREEPHONE 0800 328 5644 to make an application.



Any Budgeting Advance would need to be repaid by way of deductions from the person's ongoing Universal Credit payments.

The repayment period for a Budgeting Advance is 12 months, but this may be extended by up to 6 months. In the 2024 [Spring Budget](#) (see paragraph 5.77) plans were announced to extend the repayment period to 24 months for loans taken out from December 2024.

An award of a Budgeting Advance is discretionary. There is no right of appeal against a decision not to award a Budgeting Advance. However, a person can ask the DWP to look at its decision again where there is fresh evidence or information about their situation which had it been known may have had a bearing on the outcome of the application.

6. Cold Weather and Winter Fuel Payments

The DWP can award a **Cold Weather Payment** where there has been a recognised period of actual (or forecasted) cold weather in the claimant's area and they:

- receive Pension Credit (Guarantee Credit) or Pension Credit (Savings Credit)
- receive Universal Credit, Income-related ESA, Income Support or Income-based JSA and they have a child aged under 5
- do not work and receive Universal Credit which includes an award of the disabled child element or severely disabled child element
- do not work and receive Universal Credit and it is accepted that they have limited capability for work or limited capability for work and work-related activity
- receive Income Support or Income-based JSA which includes the disability premium, severe disability premium, disabled child premium or higher pensioner premium
- receive Income-related ESA which includes an award of the enhanced disability premium, severe disability premium or it is accepted that they have limited capability for work or limited capability for work-related activity
- receive Income-related ESA, Income Support or Income-based JSA together with Child Tax Credit which includes the disabled child element or the severely disabled child element.

The amount awarded is **£25.00 per each period** of cold weather expected or recorded.



No claim should be necessary. The DWP should automatically make payment. However, if a person does not receive a payment when one is due, they should contact the DWP.

The DWP will award a **Winter Fuel Payment** where the claimant is a 'qualifying person' because they are of 'State Pension Age' (which is presently 66 years old) or over and not excluded because they are in prison, have been in hospital for more than 52 weeks or they are receiving Pension Credit and living in a residential care home.



The maximum amount paid is subject to age:

- **£200.00** where the person is aged between 66 (i.e. 'State Pension Age') and 79; and
- **£300.00** where the claimant is aged 80 or over.

If the claimant does not get Pension Credit (Guarantee Credit) or Pension Credit (Savings Credit) and they share their accommodation with another 'qualifying person' (whether this is their partner or simply a friend) then a payment of only £100.00 is made or £150.00 if the claimant and the person, they share their accommodation with are both aged 80 or over.



If the claimant is in receipt of Pension Credit (Guarantee Credit) or Pension Credit (Savings Credit) and they share their accommodation with another 'qualifying person' (whether this is their partner or simply a friend) then a payment of only £200.00 is made or £300.00 if they or their partner are aged 80 or over.

Payment is normally made automatically. However, people can contact the Winter Fuel Payment Helpline (FREEPHONE 0800 731 0160) if needed.



7. Family Fund

The Family Fund is not part of the DWP. It can provide grants to families getting benefits and/or tax credits with a severely disabled child/young person aged under 18.

The aim is to ease the stress on families which arises from the day-to-day care of the child.



The Family Fund can help with things like:

- holidays
- leisure activities for the family
- a washing machine and/or tumbler drier if extra washing is needed due to the child's disability
- bedding and clothing needed due to extra wear and tear
- a computer for the child

- play equipment related to the child's special needs.

Claim forms are available from the Family Fund Trust - Unit 4, Alpha Court, Monks Cross Drive, York YO32 9WN - Telephone: 01904 550 055. Applications may now also be made online: www.familyfund.org.uk.

8. Information Guides and Fact Sheets

The Welfare Rights Service produces the following Information Guides and Fact Sheets on Social Security benefits and welfare reform.

Benefits Information Guides:

1. Universal Credit
2. Universal Credit - Claims and Payments
3. Universal Credit - The Claimant Commitment
4. Universal Credit - Sanctions and Hardship Payments
5. Universal Credit and Vulnerable People - Claims and Payments
6. Universal Credit - Manage Migration
7. Universal Credit and The Work Capability Assessment - Toolkit
8. Personal Independence Payment
9. Personal Independence Payment - Toolkit
10. Form Filling: PIP2
11. Form Filling: ESA50 / UC50
12. DWP Social Fund
13. The Spare Room Subsidy
14. The Benefit Cap
15. Disputes and Appeals
16. Going to Appeal: First-tier Tribunals

Benefits Fact Sheets:

1. Benefits and Work
2. Benefits and Disabled Children


3. Benefits and Young People
4. Benefits and Older People
5. Benefits and People from Abroad
6. Private Tenants and Universal Credit
7. Volunteering and Benefits

The information in our guides and fact sheets is designed to provide details of the different benefits that may be available to people in a variety of situations including when they are in work, unable to work due to ill-health, unemployed or retired. It also seeks to inform people of the steps that may be taken should they wish to dispute a decision made surrounding their benefit entitlement.



A copy of the Information Guides and Fact Sheets may, together with other topical benefit information, be obtained from our [Social Security Benefits](#) page on the City of Wolverhampton Council website.

Please also watch out for our periodical **Benefits Bulletins** which provide news on the latest developments surrounding benefits and welfare reform. These are also available on the website.

 Telephone: (01902) 555351

 Email: WRS@wolverhampton.gov.uk

Note: The details provided in this and our other Information Guides and Fact Sheets is meant to provide an overview on important and topical issues relating to Social Security benefits and welfare reform. The details should not be treated as an authoritative statement of the law. The details may be subject to change by new regulation and/or case law. Do seek further information and advice as necessary.

Welfare Rights Service
Specialist Support Team
City of Wolverhampton Council