

Factsheet 49

Social Fund, Advances of Benefit and Local Welfare Provision

June 2024

About this factsheet

The Social Fund is a scheme to help people with expenses that are difficult to meet from a low income and includes:

- Winter Fuel Payments
- Cold Weather Payments
- Funeral Expenses Payments.

Advances of Benefit are payments that partially replaced the discretionary Social Fund and include:

- Short-term advances
- Budgeting advances
- Budgeting loans.

Local Welfare Provision schemes in England are discretionary and intended to either help people facing an unexpected crisis or to support vulnerable people to re-settle or stay in the community. There is a separate scheme for **Wales** called the Discretionary Assistance Fund (DAF)

The information in this factsheet is correct for the period June 2024 to May 2025. **The information in this factsheet applies to England and Wales.** Please contact Age Scotland or Age NI for information applicable to these nations. Contact details for any organisation mentioned in this factsheet can be found in the *Useful organisations* section.

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1 What is the Social Fund?

The Social Fund is a Department for Work and Pensions (DWP) scheme to help you with expenses that are difficult to meet from a low income. It includes:

- Winter Fuel Payments
- Cold Weather Payments

Circumstance

**Born on or
before 22
September
1958**

**Aged 80 or over
in the qualifying
week**

1.2 Cold Weather Payments

Cold Weather Payments of £25 a week are made during periods of very cold weather.

Qualifying benefits

You or your partner must receive one of the following benefits:

Pension Credit

Universal Credit

Income Support

income-based Job Allowance

income-related Employment and Support Allowance

Housing Benefit

Working Tax Credit (that includes a disabled or severe disability element)

Child Tax Credit (that includes a child or disabled child element).

You cannot claim if you are subject to immigration control. The person 10.00000887.64 679.9 Tm0.74

2 Benefit loans and advance payments

You may be able to receive an interest-free budgeting loan for one-off costs, or an advance payment if waiting for a decision on a benefit claim or are waiting to be paid and can show you are in financial need.

2.1 Budgeting Loans

Budgeting Loans are administered by DWP. They can help with the cost of essential items you may find it difficult to save up for.

This can include things like furniture, household equipment, clothing and footwear, travelling expenses, rent in advance, removal costs, home improvements, maintenance and home security measures, maternity and baby items, and funeral costs.

You can apply for a Budgeting Loan if you have received one of the following benefits for at least six months:

Pension Credit (PC)

Income Support

income-

income-related Employment and Support Allowance (ESA).

Loans are interest-free and range from £100 to £812 depending on your needs and ability to meet the repayments. Any capital you have over £1,000 (or £2,000 if you or your partner are aged 63 or over) is deducted from the loan. Applying for a loan towards funeral expenses does not exclude you from applying for a Funeral Expenses Payment (see section 1.3).

Action

Apply online at www.gov.uk/budgeting-help-benefits/how-to-apply or print off the SF500 claim form or get a copy from your local Jobcentre Plus office. After you apply you may be asked to attend an interview at the local Jobcentre Plus office.

2.1.1 Decisions and payments

There is no time limit for dealing with your application but decisions should be made without unreasonable delay. You should receive a written decision. If your claim is not agreed in full, reasons for refusal should be given with an explanation of your right to ask for a review.

Any payment is normally made direct to you, but the DWP can decide to pay a supplier directly, or to issue travel warrants. Payments are not taxable, are interest free, and must be repaid within two years. You may be offered different options to repay your loan. They are normally recovered by weekly deductions from most benefits.

2.1.2 Challenging a Budgeting Loan decision

If you disagree with a decision, you can ask for an internal review by writing to the office that made the decision within 28 days of the date on the decision letter. Say why you disagree with the decision. A late request for a review can sometimes be considered. It may be quicker to make a new application.

If the reviewing officer does not agree to change the decision in your favour, they must telephone or write to you to explain the decision and ask for more information if necessary. You should receive a written decision with the outcome of the review.

If you are still unhappy with the DWP decision, request a review through the Independent Case Examiner. The DWP decision letter explains how to do this. Send

You may not be able to claim for an item that has already been paid for. Do not commit yourself to paying for an item until you have checked whether you can get a loan or a grant. It is important to include all relevant information and explain why you need help.

Decision makers have guidelines to follow when considering an application, taking into account the urgency and priority of your needs and how much money is in their budget. You may not be able to appeal against a decision but you may be able to ask for it to be looked at again.

Note

Some

3.1 England

Local authorities are responsible for their own schemes and they have discretion to decide the level of support available. Schemes vary from area to area and some local authorities may not offer any help at all due to budget cuts over recent years. Where available, local welfare provision often takes the form of one or more of the following:

services delivered by the local authority

services delivered by other organisations for the local authority

grants

no interest loans

Credit Union loans

large household items, e.g. beds, fridges or cookers supplied directly

prepayment cards

vouchers

payments made directly to a third party, e.g. an energy supplier.

The qualifying conditions for schemes vary, but in general, you need to receive a means-tested benefit such as PC, UC, income-based JSA or income-related ESA. Local authorities can limit the number of awards made in any 12-month period.

3.2 Household support fund (England only)

A further £500 million has been allocated to the Household Support Fund for April to September 2024. The fund is intended to help those most in need, with payments towards the cost of food, water, and energy. You should contact your local authority as schemes are run locally.

3.3 Wales

There is a national scheme called the Discretionary Assistance Fund (DAF). If you are in urgent need of assistance and have no other means of meeting the cost of living or to live more independently in your own home, the fund can make non-repayable grants or directly provide white goods or essential furniture. There are two parts to the DAF:

Individual Assistance Payments (IAPs) are awarded to enable you to remain living at home independently or set up a new home. There must be an identified risk that you cannot remain in your own home without the IAP.

For example, you could be having difficulties with personal or domestic tasks (such as cooking or shopping) and without assistance, you will need to consider a care institution. Or you may be coming out of a care institution or an unsettled way of life. Alternatively, you may need help to ease exceptional and urgent pressures on you or your family.

IAPs are made by direct supply of *white goods* (e.g. cookers or fridges) or essential furniture. You may be eligible if you get a means tested benefit such as Pension Credit, Universal Credit, or income-related ESA. The value of an IAP is reduced, by any savings you or your partner have.

Emergency Assistance Payments (EAPs) are available for essential costs after an emergency or disaster. For example, if there has been a fire or flood in your home or job loss or during the wait for a first benefit payment. You must show you do not have access to other resources to help you through the crisis. Payments are made by BACS or PayPoint vouchers.

If you disagree with a decision, you can request an internal review, then an external review can be carried out by the Family Fund Trust. More information is at: <https://gov.wales/discretionary-assistance-fund-daf>.

Action

DAF decisions are taken by NEC Software Solutions, appointed by the Welsh Government. A local Age Cymru organisation (contact Age Cymru Advice for details), or a partner organisation may be able to assist with an application. Citizens Advice will contact you after you apply to offer benefits and money advice

4 Help from charities and benevolent funds

If you have checked you are getting all the benefits you are entitled to and you cannot get any, or enough, help from other sources highlighted in this factsheet, you could try charities and benevolent funds.

Grants from charities range from small amounts of money for food vouchers to large amounts for domestic goods like washing machines, cookers and fridges. Some may provide grants towards the cost of wheelchairs, housing adaptations or holidays for example. Some trust funds provide a small weekly or monthly allowance. Most charities do not provide large grants and you may want to apply to as many as possible.

Regular charitable payments are not usually taken into account as income for other benefits. One-off charitable payments only affect your benefits if they take your capital over certain levels.

There are many different charities and trusts in the UK ranging from those that consider helping anyone in need to those targeting particular groups. Occupational charities may assist if you worked in a particular trade or profession and sometimes help surviving partners and dependent children. Others focus on the armed services, particular religious groups, particular areas, or specific illnesses and disabilities.

There are various ways to finding the charities. An annual *Guide to Grants for Individuals in Need* is published by the Directory of Social Change and should be available at your local library. It provides information about more than 2,000 charities and many advice services. It has a chapter explaining how to make an application to a charity.

Before making a charitable application, it is useful to note as much of the following information as you can:

address

place of birth

age

marital status

family responsibilities

health problems

a breakdown of your income and expenditure

career and work history

service in armed forces

membership (past or present) of a trade union

religion.

Other organisations that help people identify potential sources of charitable help are in the *Useful organisations* section, including Turn2Us who have an online grant finder at <https://grants-search.turn2us.org.uk/>

Gov.uk

www.gov.uk

Official website for government information and services. Includes information about State and private pensions.

Independent Case Examiner

www.gov.uk/government/organisations/independent-case-examiner

Telephone 0800 414 8529

Acts as an independent referee if you feel that the Pension, Disability and Carers Service or Jobcentre Plus has not treated you fairly.

Jobcentre Plus

Telephone 0800 055 6688

Part of the DWP, administers most benefit claims for people of working-age and the regulated Social Fund.

Pension Service (The)

www.gov.uk/browse/working/state-pension

Telephone 0800 731 0469

State Pension Forecasting Team 0800 731 0176

Details of state pensions including forecasts and claiming your pension.

Turn2us

www.turn2us.org.uk

Telephone 0808 802 2000

A charitable service helping people access the money available to them through welfare benefits, grants and other help.

Winter Fuel Payment Helpline

www.gov.uk/winter-fuel-payment-helpline

Telephone 0800 731 0160

Part of the DWP that deals with queries about Winter Fuel Payments.

Age UK

Age UK provides advice and information for people in later life through our Age UK Advice line, publications and online. Call Age UK Advice to find out whether there is a local Age UK near you, and to order free copies of our information guides and factsheets.

Age UK Advice

www.ageuk.org.uk

0800 169 65 65

Lines are open seven days a week from 8.00am to 7.00pm

In Wales contact

Age Cymru Advice

www.agecymru.org.uk

0300 303 4498

In Northern Ireland contact

Age NI

www.ageni.org

0808 808 7575

In Scotland contact

Age Scotland

www.agescotland.org.uk

0800 124 4222

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Next update June 2025

The evidence sources used to create this factsheet are available on request. Contact resources@ageuk.org.uk

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Every effort has been made to ensure that the information contained in this factsheet is correct. However, things do change, so it is always a good idea to seek expert advice on your personal situation.

Age UK is a charitable company limited by guarantee and registered in England and Wales (registered charity number 1128267 and registered company number 6825798). The registered address is 7th Floor, One America Square, 17 Crosswall, London, EC3N 2LB. Age UK and its subsidiary companies and charities form the Age UK Group, dedicated to improving later life.