DWP Department for Work and Pensions

Research Summary

Experiences and consequences of being refused a Community Care Grant

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The overall aim of Community Care Grants is to assist people on Income Support, Pension Credit, or income-based Jobseeker's Allowance to live independently in the community. However, compared with the two loan elements of the discretionary Social Fund, a far higher proportion of applicants are refused a Community Care Grant and many of those who are successful receive only a partial award. As a consequence, far more Community Care Grant decisions are reviewed than is the case for Crisis Loans or Budgeting Loans.

Previous research has indicated that unsuccessful Social Fund applicants, and those who only receive a partial award, find themselves faced with a limited number of alternatives to obtain the items they need (Kempson et al, 2002; Whyley et al, 2000)[1]. The overall aim of this research was to provide an understanding of what happens when people are refused a Social Fund Community Care Grant, or are only granted a partial award. This included cases that had been formally reviewed as well as those that had not. Within this, the study had several more specific objectives:

- To assess awareness and knowledge of the Social Fund in general and Community Care Grants in particular, and attitudes to making an application.
- To understand the need that existed and why an application was made for a Community Care Grant.
- To assess applicants' views and understanding of the application and, where applicable, review processes.
- To provide an understanding of the actions people considered and took when their application was refused or a partial award was made.
- To understand the consequences of their course of action both in general and in terms of their attitude and future use of the Social Fund.

The report findings are based upon 48 depth interviews with people who applied for a Community Care Grant between April 2002 and January 2003 and either had that application refused or were given a partial award that was at least £50 less than the amount they applied for.

Key findings

- There were wide variations in people's prior experience and knowledge of the Social Fund. Some people had never applied to the Social Fund before and knew almost nothing about it, even after applying for a Community Care Grant. Others had made repeated applications to the Social Fund and possessed detailed and extensive knowledge of the system and how it worked.

[1] Kempson E., Collard, S. and Taylor, S. (2002) *Social fund use amongst older people* (DWP Research Report No.172); Whyley, C., Collard, S. and Kempson, E. (2000) *Saving and borrowing: use of the Social Fund Budgeting Loan scheme and community credit unions* (DSS Research Report No.125). Leeds: Corporate Document Services.

- The most common reasons for applying for a Community Care Grant were to set up a new home and to move from one home to another. Those setting up home generally applied as a result of upheavals in their lives and typically requested a full range of furniture, white goods, flooring and carpets. The circumstances of those moving house tended to be less extreme and they applied for items that they could not bring from their previous home, such as flooring, curtains and some white goods.
- For more than half of applicants, making an application was not a straightforward process. Some received help to fill in the form, others completed it themselves but with difficulty. Hardly any of them had tried to raise the money they needed in some other way before they applied for a Community Care Grant. In fact, most people had few, if any, other options to raise the amounts of money they required.
- People who were awarded a Community Care Grant generally received between a quarter and half of the amount they had requested. The money they received usually allowed them to meet at least some of their needs. Even so, they were still left with an average shortfall of £600. Unsuccessful applicants were left to find the full amount they had applied for, which on average was £865.
- Applicants employed a wide range of strategies to make up the shortfall in their award. Buying second-hand goods and saving up were the ones most commonly used by people with partial awards. Unsuccessful applicants were more likely to apply for a Social Fund loan or ask family or friends for help. A minority of both groups borrowed money commercially.
- Nearly half of people who were interviewed had to do without at least some of the things they applied for. In several cases, this resulted in considerable hardship. A similar proportion (around half) had to repay commercial or Social Fund loans they had taken out to make up the shortfalls in their Community Care Grant awards. These repayments invariably created an additional financial burden on incomes that were already stretched.

Summary of research

The report provides an in-depth understanding of what happens when people are refused a Community Care Grant or receive a partial award. It examines people's awareness and knowledge of the Social Fund and their attitudes to making an application for a Community Care Grant; explores their views and understanding of the application and review processes; and considers the impact and consequences of being refused a Community Care Grant or receiving a partial award.

Characteristics and living standards of applicants

About a third of the people who were interviewed had unsettled lives and had experienced: time in prison, care or long stay hospital; homelessness; sexual or physical abuse; or drug or alcohol dependency. Many were also coping with poor physical health, disabilities or mental illness. Multiple problems were fairly common. Their applications for Community Care Grants often derived from these situations.

Most of those interviewed were long-term benefit recipients. The majority owed money on consumer credit agreements, which ranged from £50 to £30,000. All but a small minority had no savings at all and said that they were unable to save. Consequently, only a quarter of the people interviewed were able to make ends meet. Of the rest, half were just about keeping their heads above water but a quarter were really struggling financially.

Experience and knowledge of the Social Fund

The people interviewed had a wide range of prior experience of the Social Fund in general, and Community Care Grants in particular. Half were applying for their first Community Care Grant, although only a minority were also applying to the Social Fund for the first time. A quarter had fairly extensive experience, having previously applied for several Community Care Grants as well as Budgeting Loans and/or Crisis Loans.

Knowledge of the Social Fund also varied widely. Just under half of applicants knew very little or nothing at all. In contrast, three in ten people were 'experts' and had in-depth knowledge and understanding both of the scheme as a whole and of Community Care Grants more specifically. Knowledge was usually linked either to prior experience or to contact with someone else with extensive experience of applying to the Social Fund.

Applicants were generally uncomfortable about applying for a Community Care Grant because they felt that requesting financial assistance from the state compromised their independence. This was even true of some people who regarded Community Care Grants as an entitlement.

Applying for a Community Care Grant

Most of the people interviewed had applied for a Community Care Grant either to set up a new home or to move from one home to another. Those setting up home generally applied as a result of upheavals in their lives and typically requested a full range of furniture, white goods, flooring and carpets. The circumstances of those moving house tended to be less extreme and they applied for items that they could not bring from their previous home, such as flooring, curtains and some white goods. A minority of applicants needed money to enable them or another family member to remain living in the community.

For more than half of applicants, making an application was not a particularly straightforward process. Some received help to fill in the form, others completed it themselves but with difficulty. Hardly any of them had tried to raise the money they needed in some other way before they applied for a Community Care Grant. In fact, most people had few, if any, other options to raise the amounts of money they required.

Applying for review

Awareness of the review process was high. Despite knowing that they could request a review of the decision that had been reached, most had never done so. People said they simply could not see the point in having their application re-assessed when it had already been turned down and there had been no change in their circumstances.

People who did request a review fell into three groups. Some felt the original decision was wrong or unfair; some were encouraged to apply by an advice or support worker, while others knew that the decision was likely to be reversed. Those who applied for internal review generally did so themselves and did not find it difficult. Few were aware of the independent review service and even those who did go to independent review had not consciously requested it – merely challenged the decision of the internal review officer. On the whole, people commented more favourably on the independent review process than they did on their internal reviews.

Outcomes of Community Care Grant applications

Of the 48 applicants who were interviewed, 28 had received a partial award and 20 had been unsuccessful in their most recent application for a Community Care Grant. The majority of unsuccessful applicants did not fully understand why they had been refused a Community Care Grant, even if they could remember the reason they had been given. Some were extremely angry or disappointed with the outcome; most simply accepted the decision. They were left to find the full amount they had applied for, which on average was £865.

People who received a partial award generally got between a quarter and half of the amount they had requested. Again, they did not really understand why they were awarded less than they applied for, although most instinctively felt it was unfair. Like the unsuccessful applicants, however, few challenged the decision. The money they received usually allowed them to meet at least some of their needs, even if it meant buying the cheapest models or 'seconds'. Even so, they were still left with an average shortfall of £600.

Impact of being refused a Community Care Grant or receiving a partial award

People employed a range of strategies to deal with the shortfalls in their awards, regardless of whether or not they received an award. Buying second-hand goods and saving up were the ones most commonly used by people with partial awards, compared with applying for a Social Fund loan or asking family or friends for help among those whose applications had been refused. A minority of both groups had borrowed money commercially.

Nearly half of the people interviewed had to do without at least some of the items they had applied for and a third were still doing without certain items when they were interviewed. Some people managed for several months without essentials, such as beds or cookers, and experienced real hardship as a result. On the whole, unsuccessful applicants were more likely to be without items than people who had received partial awards.

A fifth of people had borrowed money commercially to buy the items they had applied for. Many of these people were already repaying credit they had taken on previously and often the further borrowing made a bad situation worse. Others had borrowed against all their instincts. People who had taken on Budgeting Loans also commented on the considerable strain the repayments put on their finances.

People's views about applying for a Community Care Grant in the future were clearly coloured by the outcome of their most recent application. Half of unsuccessful applicants said that they would not apply to the Social Fund again and almost all of these had only ever made one application for a Community Care Grant. In comparison, people who had received partial awards were rather more inclined to apply again. Those who said they would not do so could not see themselves needing to re-apply as their situation had improved.

The full report of these research findings is published for the Department for Work and Pensions by Corporate Document Services (ISBN 1 84123 685 3. Price £29.00. Research Report 210. May 2004).

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