



Response to DWP consultation “The Social Fund: A new approach”

December 2008

1. The Taskforce believe that the Government’s consultation on proposals for reform of the social fund covers a number of extremely important issues.
2. The Social Fund delivers over £700 million each year in loans and grants to some of the most vulnerable households in the country, including many who are financially excluded and have no other options in the face of a financial crisis.
3. The Social Fund has attracted both support and criticism for various aspects since it was created. It is right that a consultation should be undertaken in advance of any substantial changes to the nature or remit of the scheme.
4. The Financial Inclusion Taskforce feel that it would be inadvisable to enter into reforms of the scale proposed without allowing adequate time to consider all the ramifications. A consultation period of only three weeks is not sufficient to allow the Taskforce to analyse the proposals and to prepare and submit a meaningful response. The Taskforce is also concerned that the inadequacy of the consultation period will limit the quantity and quality of responses from other stakeholders, and therefore does not in effect constitute a proper public consultation.
5. The Taskforce will aim to produce and publish a full response to the consultation in due course in the New Year.