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Working the Social Fund

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with the assistance of
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1. Introduction

The social fund, fully implemented in April 1988, constitutes a radical approach to a problem that has long bedevilled British social security. The problem is how to respond to the exceptional needs sometimes experienced by people in receipt of social assistance benefits or who are otherwise dependent on low incomes. Earlier schemes have foundered because of administrative complexity, escalating cost, or accusations of unfairness and inequity.

The social fund is a mixed system of discretionary grants and interest free loans paid from a fixed budget. This part of the fund became formally cash limited in April 1991 but prior to this had been operated on a cash limited basis. These discretionary elements are complemented by three regulated components covering maternity, funeral and cold weather payments. These are not subject to the budget constraint. The scheme is administered, largely by post, by specialist officers located in Department of Social Security (DSS) local offices. Each office has its own annual budget allocation from which the discretionary awards are made.

In 1989 the Department of Social Security commissioned an independent evaluation of the new scheme. The evaluation consisted of five elements, and involved an analysis of administrative statistics (Huby and Walker, 1991a, 1991b), field visits to a representative sample of 39 local offices, interviews with a national sample of social fund applicants, income support recipients and other low income families, detailed qualitative work in three localities and a study of need undertaken with social fund officers seconded to the Social Policy Research Unit (SPRU) for one month. A full report of the evaluation is published separately (Huby and Dix, 1992).

This volume presents the results from the field visits and describes how the social fund was understood, interpreted and operated at local level. The description is pieced together from the accounts of over 200 DSS officials involved in the administration of the social fund and also reflects the experience of social workers, probation officers and welfare rights specialists who are in contact with the social fund in the areas visited. It is a unique study of the administration of a social policy as seen through the eyes of those engaged in its implementation. However, the experiences of social fund applicants are captured only indirectly and a more comprehensive picture of the social fund can only be gained by examination of the results of the evaluation (Huby and Dix, 1992).

In this chapter the rationale for the social fund is briefly presented and the scheme is located in its historical context. Many of the themes raised in later chapters have their origins in earlier schemes. The story of the early implementation of the social fund follows, helping to establish the policy environment in which the study was undertaken. Finally the research method is described.

1.1 Background to the social fund

The social fund was introduced as part of the reforms following the review of social security undertaken in 1985 when Norman Fowler was Secretary of State for Social Services. The so-called Fowler Reviews, and the subsequent 1986 Social Security Act, were driven by a clear set of policy prescriptions that reflected the ideological concerns of the government of the day. However, as discussed below, many of the problems and issues associated with meeting the exceptional needs of low income families have a long history.

Objectives of reform

Perhaps the most important changes to result from the 1986 Social Security Act were the replacement of the supplementary benefit scheme by income support and the creation of the social fund. Prior to the reform, supplementary benefit was available for people whose income was less than their `requirements', a level approved annually by Parliament. A person's requirements comprised a basic amount (the `normal requirements') determined by factors such as age and household composition, certain housing costs, and a complex range of additional requirements covering such things as special diets and extra heating. With the reforms these additional requirements were abolished and replaced by flat-rate premia which are payable on top of a simplified set of scale rates (personal allowances'). There are premia for families, lone parents, pensioners and people with disabilities. Under supplementary benefit, claimants in certain circumstances had been entitled to lump-sum `single payments' to meet exceptional needs. In 1986 a quarter of claimants received one or more single payments worth, on
average, £187. The total cost of single payments in 1985–6 was around £334 million (Social Security Advisory Committee, 1987).

In April 1987 single payments for maternity and funeral payments, together with the universal £25 maternity grant and the £30 death grant, were replaced by new means-tested payments which constitute the major non-discretionary components of the social fund. (Cold weather payments were added by the 1988 Social Security Act.) Then in April 1988, at the time of the full implementation of the 1986 Act, the remaining single payments were superseded by discretionary community care grants and by budgeting and crisis loans. In the first year, a £60 million budget was allocated to the social fund for expenditure on grants and a gross sum of £141 million for loans, with a central contingency reserve of £2 million.

In retaining arrangements to provide for exceptional circumstances and emergencies faced by a minority of claimants the 1985 Green Paper had set out three specific objectives for the Social Fund:

1. To concentrate attention and help on those claimants facing the greatest difficulties in managing their normal income.

2. To enable a more varied response to inescapable individual need than can be achieved under present rules.

3. To handle the arrangements in a way that does not prejudice the efficiency of the main income support scheme. (Cmnd. 9518, 1985)

**The structure of the social fund**

The fund's discretionary elements most clearly demonstrate the link between the scheme's structure and its objectives. There are three distinct types of discretionary payment:

i. *community care grants*, non-refundable payments to meet specific kinds of exceptional need;

ii. *budgeting loans* which are repayable and intended to cover larger items of expenditure for which it may be difficult to budget on income support; and

iii. *crisis loans, also* repayable, to meet expenses in an emergency, including living expenses.

Consistent with the Government's first objective, each of the discretionary elements is aimed at claimants with distinct needs and circumstances. Community care grants in particular were intended to target help on people re-establishing or maintaining their lives in the community as specified in the Secretary of State's Direction 4 (Appendix 3).

The introduction of discretionary decision making was a direct response to the second objective, the avoidance of rigid dividing lines and the consequent tendency for real need to become lost in a mass of detailed regulations.

The Government's response to the final objective, not prejudicing the effectiveness of income support, had two elements. First the scheme was to be administered separately from income support by specialist officers. Secondly, the introduction of loans removed one of the major causes of inequality between those on and off income support. Loans also served to reduce the replacement ratio, the ratio of income on benefit to that obtainable in employment.

**A historical overview**

Ever since the introduction of unemployment assistance in 1935 there have been powers to make extra provision over and above the basic scale rates. The rationale for these powers is beyond dispute. Not everybody experiences the same needs. Not all needs are manifested all the time. All embracing definitions of need are inevitably costly if incorporated directly into the scale rates since benefit has to be paid to those who demonstrably do not need it. And, in any case, not all needs can be defined a priori.

The particular criticisms which the government sought to address with the introduction of the social fund have a history which dates back almost as far: first the momentum towards increased costs resulting from the tendency to use exceptional payments whenever they are available and the demands of pressure groups; secondly, administrative complexity which reflects the difficulty of drawing a line between provision through the scale rates and through additional payments; and, thirdly, the difficulty of excluding personal judgements about the worth of individual claimants from decisions on entitlement (Cmnd. 6910, 1977).

**Cost**

Table 1.1 shows that over the lifetime of national assistance (1949 to 1965), the number of discretionary lump sum payments made each year more than trebled. Part of this increase is accounted for by the considerable increase in the number of national assistance claimants but the number of payments made per 100 claimants nevertheless increased from nine in 1949 to 17 in 1965. However, it was the even larger increase in weekly additions that caused most concern. This was instrumental in bringing about the abolition of national assistance and its replacement by supplementary benefit with a long-term rate aimed explicitly at limiting the number of discretionary weekly additions. But the experience of national assistance was repeated under supplementary benefit (1966 to 1980) with a disproportionate increase in the number of discretionary weekly additions. Exceptional Circumstances Additions (ECAs), especially in the period after 1971.
The Social Security Act 1980 provided for the replacement of discretionary ECAs and lump sum Exceptional Needs Payments (ENPs) by a legal entitlement to additional ‘weekly requirements’ and lump sum ‘single payments’ as prescribed in the regulations. The new regulations concerning single payments were considerably more restrictive than the old discretionary guidelines, and the impact of the 1980 reforms on the payment of lump sum grants was initially dramatic. In the first year the number of payments per 100 benefit claimants was halved (Table I.1), but by 1982 the rate of awards had almost regained its 1980 level. After 1982 the rate of single payment awards more than trebled and in 1986 stood at 92 per 100 claimants.

### Table I.1 Long-term Trends in Lump Sum Grants and Weekly Additions

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<th>Year</th>
<th>Lump sum grants</th>
<th>Weekly Additions</th>
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<tr>
<td></td>
<td>Total (1000s) awards</td>
<td>Number of grants per 100 claimants</td>
</tr>
<tr>
<td>1948</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>1949</td>
<td>102</td>
<td>9</td>
</tr>
<tr>
<td>1955</td>
<td>147</td>
<td>9</td>
</tr>
<tr>
<td>1961</td>
<td>204</td>
<td>11</td>
</tr>
<tr>
<td>1965</td>
<td>345</td>
<td>17</td>
</tr>
<tr>
<td>1967</td>
<td>386</td>
<td>–</td>
</tr>
<tr>
<td>1968</td>
<td>470</td>
<td>25</td>
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<tr>
<td>1972</td>
<td>743</td>
<td>25</td>
</tr>
<tr>
<td>1976</td>
<td>1,114</td>
<td>38</td>
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<td>1980</td>
<td>1,130</td>
<td>36</td>
</tr>
<tr>
<td>1981</td>
<td>830</td>
<td>19</td>
</tr>
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<td>1982</td>
<td>1,276</td>
<td>30</td>
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<td>1983</td>
<td>1,889</td>
<td>41</td>
</tr>
<tr>
<td>1984</td>
<td>2,847</td>
<td>58</td>
</tr>
<tr>
<td>1984/5</td>
<td>3,315</td>
<td>66</td>
</tr>
<tr>
<td>1985</td>
<td>4,133</td>
<td>80</td>
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<tr>
<td>1986</td>
<td>4,730</td>
<td>92</td>
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Excludes additional payments made to former national assistance claimants as part of the transition to supplementary benefit.

Includes about five per cent award en bloc just after the annual count.

Source: Berthoud, 1984; DHSS, 1986; special tabulations provided by DHSS (Walker and Lawton, 1988).

### Complexity, discretion and decision making

The growth of payments for exceptional needs has been paralleled by a cyclical shift in the relative importance of discretion in the administration of social assistance. Discretion, according to Beltram (1984), is ‘conferred when a body or person may choose between two or more equally valid courses of action, observing the spirit of the legislation but unfettered by rules determining decisions in particular circumstances’. However, discretion also has a colloquial meaning, namely ‘the capacity to act with prudence and good judgement’. Discretion in this sense, which Beltram terms ‘interpretative judgement’ is implicit in all administrative decisions, regardless of whether discretion in the former sense is allowed.

Prior to 1980, discretion (distinguished, here, from interpretative judgement) was inherent in British social assistance at two levels. First, the National Assistance Board (NAB) and later the Supplementary Benefits Commission (SBC) had a range of discretionary powers including, for example, mechanisms for adjusting benefit to reflect individual differences in need. This discretion was exercised through the agency of DHSS staff in local offices working to unpublished guidance issued by the SBC (and, earlier, by the NAB). In working to the guidance, local office staff also had to exercise interpretative judgement.

However, a second level of discretion was also operative which Beltram (1984) terms ‘officer discretion’. His view is that this existed largely because the SBC had in many instances not issued detailed guidance and that this was especially true with respect to ENPs. But the origin of the lack of detailed guidance also reflects the ideal espoused by Titmuss of ‘individualised’ or ‘creative justice’. Titmuss argued that discretion could not operate with detailed guidance since this would act to constrain the necessarily flexible response ‘to human needs and to (the) immense variety of complex individual circumstances’ (Titmuss, 1971).

However, as the volume of ENPs and weekly additions increased (see Table 1.1), so the problems associated with discretion attracted attention. First, there was concern in official circles that discretion placed an unnecessary burden on administration and made the scheme difficult for claimants to understand. There was also criticism that discretion resulted in the unfair treatment of some claimants (Hill, 1969; Deacon and Bradshaw, 1983) and demands that the SBC guidance to officials should be published (Lynes, 1969). Then in the 1970s. David Donnison, as Chairman of the SBC, engineered a public debate in which entitlement and discretion were set in opposition. Unlike Titmuss, he argued that genuine entitlement depended on published rules that claimants could understand and that this was incompatible with continued large scale reliance on discretionary ‘extras’ (Donnison, 1977; Beltram. 1984). The SBC also argued that without a reduction in discretion the system was in danger of collapse and that reliance on ‘officer discretion’ had resulted in enormous variation from one local office to another (Cmd. 6910, 1977).

The strategy adopted in the 1980 reform of supplementary benefit was as far as possible to dispense with discretion such that ‘virtually every detail of entitlement to benefits’ was ‘determined according to rules expressed in legally binding form’ (Beltram, 1984). In practice this meant largely replacing the SBC guidance (and the inherent complexity) with regulations. The result was to increase the role of interpretative judgement at the expense of both levels of discretion. But because the earlier SBC guidance which formed the model for the regulations was often not very detailed, the parameters within which interpretative judgement was exercised were very broad.
In the event, as already explained, the 1980 reform did not achieve a sustained fall in lump sum payments. Nor did it lead to the permanent reduction which had been hoped for in the variation in the volume of payments made by local offices (Walker and Lawton, 1989).

**Discretion within a fixed budget**

The social fund seeks to resolve the problem of escalating expenditure by embedding discretionary decision making within a framework of budgetary control. The original formula allocating the social fund budget between local offices took account of past expenditure on single payments and the level of local ‘need’ as indexed by the size and composition of local office caseloads. Local office managers are accorded responsibility for control of the budget and, to assist in this process, they prepare a set of priorities which social fund officers take into account when processing applications for loans or grants. (This process is discussed in detail in Chapters 3 and 4.)

The juxtaposition of a budget constraint and discretionary decision taking has attracted much comment. In particular, it has been suggested that a fixed budget changes the very basis upon which discretion operates. The existence of a budget implies that some people will find their claims refused not because staff believe the claims to be ill-founded, but because no money remains in the kitty for that month or that year (SSAC, 1985). According to this view, social fund officers are unable to respond freely to individualised need. Rather they must ration resources between competing applications according to local office criteria which relate to the category of applicant and the type of need. The result is that the budget constraint transforms the theory of ‘creative justice’ into the practice of ‘proportional justice’.

Only the law, regulations and directions are legally binding on social fund officers and within these bonds discretion is intended to be a major element in decision making. The 1985 Green and White Papers stressed the need for flexibility in responding to exceptional circumstances and emergencies so that appropriate help could be given to those in ‘genuine need’. Moreover, the idea of an individualised service was echoed in the emphasis placed on the proposals to offer an advisory service to social fund applicants: ‘the social fund officer will be able to give a more individual service. He will be able to discuss a person’s need and problems and give advice on the best approach to dealing with them. If need be, that will involve consultation with other agencies’ (Cmdn. 9691, 1985). The degree to which fixed budgets act to limit discretion and flexibility is discussed in Chapters 3 and 4.

1.2 The first years of the social fund

**Initial opposition**

The social fund attracted criticism from many quarters from the moment that it was announced (Becker and Silburn, 1990). The budget was attacked both on the grounds that it was too low and that it was inappropriate to subject a needs-based programme to a budget limit. A major fear was that offices would run out of money and that applicants in demonstrable need would be turned away creating unsustainable pressures on local charities and social services.

The introduction of loans was also widely criticised. It too would cause low income families to rely on charity or force them into a cycle of indebtedness. It might even drive people into the hands of unscrupulous ‘loan sharks’ who would offer lower repayment rates but charge excessive rates of interest.

Many groups questioned the return to a discretionary system which had been rejected only eight years earlier, and the failure to integrate the review of social fund decisions into the system of Social Security Appeal Tribunals. The Department argued that ‘reviews which turn on judgement in difficult individual circumstances are best handled as near to the point of decision as possible’ (Cmdn. 9518, 1985), and it was initially proposed that decisions be reviewed by local office management. Subsequently the internal office reviews were supplemented by a system of social fund inspectors (Chapter 5). Some commentators linked the initial absence of an external appeals system to the need to restrain expenditure: if the demand for single payments accurately reflected the need for exceptional payments, an appeals system which established case-law might rapidly strain a fixed budget (Walker, 1985).

Finally, the need for ‘liaison with other bodies’ noted in the 1985 Green Paper caused profound anxiety within the social work profession. Social workers have not traditionally viewed the financial problems of their clients as a central focus of their professional concerns. Furthermore, the possibility that social workers might become a party to the discretionary decisions of social fund officers was seen to compromise the professional relationship of trust between social worker and client. At the same time doubts were expressed that social fund officers would receive sufficient training to equip them for the counselling role mentioned in the Green Paper (Cmdn. 9518, 1985). Social services management, as already mentioned, was concerned about the impact of the social fund on their finances, notably on Section 1 (in Scotland, Section 12) payments. There was also concern that parts of the administration of the social fund might eventually be transferred to local government.

Sustained opposition to the social fund took a number of forms. For a lengthy period the Association of Directors
of Social Services and the principal local authority associations refused to enter into discussions with the Government about the social fund. Later a policy of determined advocacy was adopted by the three local authority associations. This was spelled out in a practice guide (ACC/AMA/COSLA, 1988) and allowed social workers to assist their clients in pursuing a claim but stressed that they ‘should not be drawn into prioritising workers to assist their clients in pursuing a claim but guide (ACC/AMA/COSLA, 1988) and allowed social determined advocacy was adopted by the three local Government about the social fund. Later a policy of associations refused to enter into discussions with the of Social Services and the principal local authority authorities organised by the Universities of Bradford and and a consortium of local authorities and academics to monitor the impact of the introduction of the scheme (Becker and Silburn, 1990; Berthoud 1991). Many of these were linked in two groups: a syndicate of local authorities organised by the University of Nottingham and a consortium of local authorities and academics coordinated by the Universities of Bradford and Lancaster.

Implementation

The discretionary components of the social fund were implemented in April 1988 and expenditure in the first few months of the scheme was much less than expected by commentators. By the end of the first year only 69 per cent of the community care grant budget and 89 per cent of the loans budget had been spent (Huby and Walker, 1991a). During the course of 1989/90 there were three extra allocations to selected local offices (257 out of a total of some 450 offices received additional funds) and by the year-end virtually all the national budget (£206 million in total) had been spent. In 1990/91 an initial budget of £215 million finally reached £228 million. Expenditure in the first few months of 1990/91 was ahead of the anticipated monthly profile and the Department made over 1400 additional staff available to work on the fund.

It was inevitable that the first months of a new scheme would constitute a learning exercise for all concerned (Huby and Walker, 1991b). Applicants had to adjust to the availability of loans rather than grants and to the new assessment criteria. A high proportion of the refusals made in the first year were made on grounds of ineligibility. DSS local office staff had to come to terms with discretionary decision taking and with the management of a local office budget. Social workers and welfare rights workers had new demands placed on them by the fund with a new system to learn and, for the former group, perhaps a closer involvement in benefit issues than had previously been the case.

A further expression of the opposition to the social fund was the large number of social services departments and welfare rights organisations which established schemes to meet only very high priority applications, some offices have from almost the beginning been able to meet only very high priority applications, some offices continue to underspend.

It is also important to recognise that while the social fund is well-established, it is continuing to change both in form and substance. For example, the Department has responded to the experiences of the Social Fund Inspectors by revising guidance on the form and use of the priority lists drawn up by local offices (Chapters 2 and 3 and DSS, 1989). Also. on 21 February 1990, a High Court judgement found that the guidance on budgets was too prescriptive and therefore invalid, and that the guidance on how social fund inspectors were to review decisions was inconsistent with the directions. Interim guidance was issued on 26 March but the effect of the new Social Security Act in July 1990 was to return the position to much as it had been before the judicial hearing (Walker, Dix and Huby, 1991). Finally, a new application form was introduced in December 1990.

It is evident that the findings presented in this volume provide only a snapshot of the social fund at one point in time. Action may have been taken to alter some of the practices and procedures which were being followed at the time of the research.

1.3 The research

The 39 localities visited were chosen as the interview sites for the national sample of social fund applicants and other low income families. Each locality corresponded with the catchment area of a DSS local office and was selected on the following basis. Principal component analysis was used to construct four composite variables which would to some extent reflect levels of ‘need’ in each area: unemployment and low economic status, urbanisation, demographic structure, and poor housing conditions. These variables were used as the basis for a cluster analysis which grouped local offices into eight relatively homogeneous sets. Thirty-nine offices were then randomly selected from the eight sets in proportion to the size of each set.

The sample is representative in terms of the criteria outlined above. Checks were carried out to ensure that it included a representative range of offices from DSS regions and local office types. The sample also accurately reflects variations in social fund spending as
measured by the budget outstanding at the end of the year expressed as a percentage of budget allocation for 1988/89.

The visits, each lasting two to three days, took place at various times between 31 January and 3 April 1990. They were undertaken individually and in pairs by five research workers. Within local offices conversations were held with staff at all levels. Usually it proved possible to speak to the office manager, the higher executive officers with social fund responsibilities, social fund officers, other staff working in the social fund section and representatives from income support sections and reception.

The conversations with staff were supplemented by observations of working practices and crisis loan interviews were observed in most offices. Contact was made with other organisations involved in or affected by the administration of the social fund. These included social services departments, Citizens Advice Bureaux, welfare rights organisations and the probation service. Usually only one or two organisations were contacted and, in most cases, only one person from each was interviewed.

The discussions covered many aspects of the social fund. While the researchers worked to a topic guide, respondents were encouraged to set their own agendas. The aim, in each case, was to gain an understanding of the working of the social fund from those closely involved in its implementation. Extensive field notes were taken on the basis of which two research proformas were completed for each locality, one covering the local office, the other the perspective of the outside advice or service agency. Supplementary papers, including local office priority lists, and publicity leaflets were also obtained.

After extensive debriefing the fieldwork proformas were analysed in detail by two members of the research team. A range of techniques was used mainly based on derivatives of cognitive or semantic mapping (Jones, 1985). In summary, this involved transcribing the contents of the proformas, locality by locality, topic by topic, on to large sheets of paper and organising the material spatially. Reference to the original source of the information was retained so that it was possible to analyse the material by respondent, occupation and grade of respondent, locality and, where appropriate, by frequency of comment.

1.4 Organisation of material

This volume does not purport to be a complete evaluation of the social fund. Rather it provides a description of how the scheme was operated by DSS local offices in the first three months of 1990. The material is nevertheless relevant to some recurrent themes in the history of official attempts to respond to exceptional financial needs of low income families: the meaning and use of discretion, the idea of 'genuine need', the possibility of fairness; the patterns of local variation and differential access; administrative complexity; and the difficulty of containing expenditure. It also emphasises the importance of local networks that provide the information and support on which social fund officers depend. Finally, the research draws attention to the difficult decisions that social fund officers sometimes have to make and, in marked contrast, the monotony of parts of their job.

Chapter 2 describes the local management and organisation structures in which the social fund is embedded and the administrative procedures which have been developed. Chapter 3 focuses on the evolution of local office priorities, while Chapter 4 explores in detail how social fund officers make decisions. Chapter 5 examines the review process in local offices and considers the response of staff to the work of the Social Fund Inspectors. Chapter 6 is devoted to a consideration of the money advice service which only operates fully in a handful of the offices visited. Several of the key themes re-emerge in Chapter 7, which reports respondents' views on the social fund as a whole, and in Chapter 8 which presents a selection of the more important conclusions of the study.

Conventions

In the text extracts from the fieldwork proformas are included to illuminate and illustrate the issues covered. Often these take the form of statements copied down verbatim in the interview situation. While these quotations will not always be word-perfect they do help to convey the way in which issues are conceived and talked about at local level. Occasionally sections from the research workers' observations are included. Where appropriate each extract is accompanied by a description of the local office using the standard DSS office categories (see Appendix I). Wherever a verbatim quotation is included the occupation or grade of the respondent is also given. Not all topics lend themselves to illustration in this way and the presence or absence of quotations is not necessarily an index of the importance of a particular issue.
2. Styles of operation

The operation of the social fund comprises many discrete elements which at the local level must be reconciled both with each other and with the resources available. This chapter begins with a brief description of the major tasks associated with implementing the scheme, then discusses how work was organised, explores the structural relationships inherent in the scheme and, finally, considers some of the implications for the local management of the scheme and the role of social fund officers. The aim is to provide a context for the more detailed discussion of various aspects of the implementation of the social fund presented in later chapters.

Figure 2.1 Major work tasks associated with the social fund

<table>
<thead>
<tr>
<th>Social Fund Component</th>
<th>Discretionary</th>
<th>Non-discretionary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major tasks</td>
<td>Crisis Loans</td>
<td>Budgeting Loans</td>
</tr>
<tr>
<td></td>
<td>Community Care</td>
<td>Funerary Expenses</td>
</tr>
<tr>
<td></td>
<td>Maternity Expenses</td>
<td>Payments</td>
</tr>
</tbody>
</table>

Setting priorities: Necessary
Budget management: Probable
Initial advice: Necessary
Matching papers: Necessary
Interview: Probable
Seek additional information: Probable
Computer input: Probable
Authorisation of payment: Necessary
Payment: Necessary
Set up recovery: Necessary
Enforcing recovery: Necessary
Quality control: Necessary
Reviews/Appeals work: Necessary

PLUS: Money advice
Social fund liaison and promotion

2.1 Basic work tasks

Figure 2.1 lists some of the major tasks involved in implementing the three discretionary and two of three non-discretionary components of the social fund. The list is not intended to be exhaustive or definitive, but its purpose is to convey the large number and diversity of tasks associated with administrating the social fund. Each entails a series of steps often involving a number of people and organisations. Establishing the types of need to be given priority in a local office and managing the social fund budget (Chapter 3) require some strategic planning by senior management within an office, together with day by day monitoring and assessment. Some tasks are necessary stages in processing individual applications. Others, such as seeking additional information in support of an application, may be necessary given the particular circumstances of the case.

The tasks call for different levels of skill, training and authority. While clerical skills are required to assemble relevant documents prior to a decision, interpersonal and professional skills may be required to conduct an effective review interview. Tasks are operated on different timescales. Crisis loans, for example, may need to be cleared in an afternoon, whereas budget management typically runs to a monthly or annual calendar. The tasks are also differentially driven by external obligations. A caller, for example, imposes different pressures and obligations than does a postal claim. Likewise, whereas local office staff can determine the type and process of consultation with external organisations about office priorities, the office must respond to requests for reviews within fixed time periods and follow set procedures.

Many of the tasks, or more usually their constituent parts, are governed by office performance targets, while some affect future staffing levels more than others. However, the implications of under performing, and the resource implications of rectifying deficiencies, can have radically different social and organisational implications. The failure to recover loan repayments from people who are no longer in receipt of benefit may appear of little consequence when set against the staff costs of actively pursuing defaulters. On the other hand, a failure to process a community care grant may result in a person being involuntarily taken into care.
Local office management have to decide how best to use the resources at their disposal so as to perform effectively the vast panoply of tasks associated with the social fund. In doing so, they need to take account of the relationships between tasks and their wider impact on the administration and well-being of the office. At the same time they have to create jobs that are both viable and fulfilling. Not surprisingly, many different solutions have evolved, some of which will probably prove to be more long-lasting than others.

2.2 Organisation of work

The main tasks associated with operating the social fund are outlined in this section to convey a feel for the work undertaken in local offices. In most instances a fairly typical model of local office practice is presented before discussing some of the alternatives and considering their implications. Some tasks are discussed in detail in other chapters and are considered here only briefly.

The non-discretionary parts of the social fund scheme are not considered in detail although funeral expenses payments (FEPs), maternity expenses payments (MEPs) and cold weather payments were usually administered by social fund sections.

Setting local priorities

As explained more fully in Chapter 3 local office managers were expected at the inception of the scheme, to determine the range and type of needs that could reasonably be met from the local budget allocation. This meant constructing a set of priority needs categories and devising a method of controlling spending, usually a payment line placed across the list of priority categories below which awards would not normally be made. Subsequently managers were responsible for modification and maintenance of those priority lists as part of their task of controlling the local office budget.

Local office managers differed in the extent to which they delegated responsibility for priority lists and budget management, and in the degree to which they encouraged the active involvement of social fund officers. Most, but not all, managers worked closely with the social fund higher executive officer (HEO(SF)) on the initial set of priorities and sometimes involved the social fund officers (SFOs) who were to work on the section.

In some offices managers continued to meet regularly with their HEOs and social fund officers to discuss priorities. Elsewhere contact with social fund officers was minimal. In part the difference may be attributable to the frequency with which priorities and payment lines were altered (Chapter 3), but it also reflects differences in philosophy. Some managers, for example, believed that decisions should only be taken after consultation with SFOs. This was variously because social fund officers were recognised to be ‘experts’, because they had a degree of independence and autonomy in their decision making roles or because, as one HEO(SF) explained, ‘it’s the SFOs who get the stick’ from applicants. Other managers felt that they had a direct personal responsibility for controlling the budget while some had unintentionally conveyed the impression to social fund staff that budget monitoring was their responsibility.

Budgeting loans

The largest number of social fund applications are for budgeting loans and these provide the bedrock of a section’s work. Figure 2.2 shows the basic steps involved in processing a budgeting loan although some of the minor details are excluded and not all offices did things in exactly the same way.

Figure 2.2 Processing a budgeting loan application

<table>
<thead>
<tr>
<th>ADMINISTRATIVE ASSISTANT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Takes postal application form (SF300) and enters details on the micro-computer</td>
</tr>
<tr>
<td>Locates income support case papers and any social fund correspondence and passes these on to the SFO with the SF300</td>
</tr>
</tbody>
</table>

* * *

<table>
<thead>
<tr>
<th>SOCIAL FUND ADMINISTRATIVE OFFICER</th>
</tr>
</thead>
<tbody>
<tr>
<td>If necessary, sends out form SF303 requesting more information from the applicant</td>
</tr>
</tbody>
</table>

* * *

<table>
<thead>
<tr>
<th>APPLICANT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enters decision details on the micro-computer</td>
</tr>
<tr>
<td>Sends a computer generated letter to the applicant with either a rejection or an offer of a loan with repayment terms</td>
</tr>
</tbody>
</table>

* * *

<table>
<thead>
<tr>
<th>SOCIAL FUND OFFICER (SFO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considers budgeting loan application after first assessing it for a possible community care grant</td>
</tr>
</tbody>
</table>

* * *

<table>
<thead>
<tr>
<th>APPLICANT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enters authorisation on micro-computer and completes payment panel (SF14) to instruct the finance section to make a payment</td>
</tr>
<tr>
<td>Completes form SF711 with details of terms, instructing income support section to initiate recovery from benefit</td>
</tr>
</tbody>
</table>

Direction 41 introduced following the Judicial Review requires district managers to personally review and revise the level of priorities being met from their budget.
The process has a logical sequence so later stages were dependent on the prompt and effective completion of earlier ones. The constituent tasks called for different kinds of skills and so different people handled different parts of the exercise. It was also clear that liaison with other sections in the local office was unavoidable.

In small offices there was a tendency for all officers to 'muck in'. This occasionally led to SFOs doing clerical work. It could make each person's job excessively 'bitty' and exacerbate the problems of keeping track of the progress of individual applications. In some offices social fund sections took on benefit deduction work ensuring that recovery would be initiated immediately since delays could create difficulties later when assessing an applicant's ability to repay a subsequent loan. Variations in organisation could radically change the nature and pattern of social fund work and the character of individual jobs.

Crisis loans

The procedures for handling a crisis loan application were the same as for a budgeting loan except that an interview was mandatory. However, this difference, combined with the urgency of crisis loan applications, was sufficient to shape the entire character of many social fund sections and to reinforce cleavages with other parts of the local office. If budgeting loans are the bedrock of a section's work, crisis loans supply the drama and heighten the sense of pressure.

The first contact a crisis loan applicant usually had with the local office was with a receptionist who often played an important role in identifying and dealing with applications. Partly to strengthen links with counter staff, a number of offices placed reception and social fund sections under the same HEO command. Sometimes they worked physically alongside each other and occasionally the reception counter was staffed on a rota basis by social fund staff. While the latter arrangement maximised the chance that crisis loan applications would be accurately identified, management recognised that this strategy was 'expensive' (because the effect was to employ more senior staff on reception). Some staff found the joint roles mutually disruptive.

The speed with which crisis loans have to be processed sometimes created difficulties for income support sections needing to fit social fund work around the processing of income support claims. The importance of the link with income support was reinforced by the preponderance of applicants seeking crisis loans to cover the period before the first payment of income support, which is paid in arrears (the so-called 'alignment cases'). Occasionally immediate payments of income support could be made, to the clear advantage of the claimant and avoiding the administrative cost of setting up and recovering a loan. However, liaison on this point was not always good and had reputedly been much worse in the past.

Crisis loan work often disrupted routine processing work in social fund sections. The interviews, most frequently conducted by social fund administrative officers, could be very stressful. Applicants were often distressed, perplexed and, especially when affected by the alignment rules, angry. Sometimes staff found their stories difficult to believe. The pressure on SFOs to take complex decisions very quickly further heightened stress levels. It was normal for a case, particularly a difficult one, to be discussed among members of the social fund team before an interview was given and possibly again before a final decision. This process shared the burden of decision making but also spread the burden of anxiety and disruption.

Quite a few offices responded to these difficulties by separating crisis loan work from the processing of other social fund applications. In some offices it was coupled with responsibility for administration and recovery because the latter work could be put to one side more easily than processing other applications. In one office SFOs worked on crisis loans for one day each week on a rota basis.

Community care grants

The processing of community care grants was similar to that of budgeting loans except that there was no need to set in train the mechanisms for recovery. Since in theory all applications are considered both for a community care grant, and a budgeting loan, it was usual for the same officers to be responsible for processing both kinds of award.

In many respects community care grants were the most straightforward part of the scheme to administer. There were, however, two complications. First, applicants frequently failed to supply sufficient information about their circumstances, and particularly about their health needs. This omission was often difficult to rectify (Chapter 4). Secondly, the Directions covering this part of the scheme are rather general and local office priorities were usually at their least specific. The terms which are used, such as 'exceptional pressure' and 'stress' were difficult to interpret and officers sometimes felt that they were 'not qualified' to make some of the distinctions required. In such circumstances social fund officers often tried to confer with any care professionals who were working with the applicant. However, officers were often constrained by time or did not know whom to approach and, particularly in the early days of the scheme, some social workers were not keen to assist. While many officers had established good working relationships with professionals outside the local office, there was still a considerable legacy of mutual mistrust to overcome. In spite of these problems SFOs generally liked working on community care grants. Cases were often interesting and provided intellectual challenge.
Recovery

Loan recovery consisted of both recovery from current benefit recipients and the more complex process of chasing money owed by people who had moved off benefit. Normally income support sections recovered loans from the first group and social fund sections sought to recover them from the second.

Loans were recovered from current claimants by deduction from benefit. In the case of claimants paid by loans from the first group and social fund sections benefit. Normally income support sections recovered chasing money owed by people who had moved off benefit recipients and the more complex process of loan recovery consisted of both recovery from current claimants and the way in which it was organised. Contacting people to negotiate repayment strategies was time-consuming and arrangements frequently broke down. In a couple of offices designated officers worked virtually full-time on recovery. Elsewhere it was just one of the tasks that staff had to perform. Often offices dealt with recovery by having an occasional `blitz', but in a substantial minority of offices virtually no attempt was made to recover outstanding debts from ex-claimants. The work was regarded as time-consuming and largely futile since most people would claim benefit again at which point the loan would be recovered.

We do very little recovery work. We don't have time. It's not worth the effort. People would like visitors to make regular collections. (SFO. City urban)

In some offices with specialist sections however it was reported that considerable numbers of cases had been accepted by the regional office for court action.

Liaison and promotion

The final aspects of social fund work which warrant discussion here are liaison with outside organisations and promoting take-up. Offices pursued these tasks with various amounts of energy and in different ways. Most sought to consult outside organisations about the content of their social fund priority lists. with varying degrees of success. Some continued to pursue these contacts, either explicitly in the context of the social fund or, more typically, on an across-the-board basis by means of regular meetings and open days. Normally this work was handled by HEO level staff or by specialist local office information officers (LINOS), although in one large social fund team an SFO had been given special responsibility for liaison both inside and outside the office.

All social fund officers felt the need for more concentrated efforts at local liaison with external agencies, and better understanding of the social fund within offices. They hoped the new specialist post would increase the take-up of community care grants as well. (City urban)

Most offices would readily give talks about the scheme if approached but only rarely took the initiative. Perhaps the most common reason given for this was that the budget was under pressure and increased demand could not be sustained.

There is no point in promotion if you can't deliver. (Manager, City urban)

Occasionally it was suggested that `there is no need because word spreads very quickly on the claimant grapevine'. Also, some managers pointed out that there was no `staffing incentive attached to promotion work'.

Nevertheless, half a dozen of the offices visited had implemented initiatives to increase the take-up of community care grants. Some had used the computerised case paper location system and others had undertaken a manual sift of case papers in order to identify individuals `at risk'. The perceived success of these activities varied markedly.

The HEO decided on an intensive campaign in October 1988-January 1989 to try to increase CCG take-up. Two and a half social fund officers were used to visit claimants and 8-9,000 successful community care grant applications followed as a result. They targeted this campaign by screening income support records eliminating, for example, those with capital. They visited elderly people in particular and found the campaign `expensive but effective'. (Inner conurbation)

In the first year we visited all the over-80s on income support and then the over-70s but we failed to identify a substantial volume of unmet need. (HEO(SF), Outer conurbation)

2.3 Structural relationships

Social fund sections almost invariably worked as teams in processing individual applications. Team working aided the development of consistency and spread the responsibility for difficult decisions (Chapter 4). It was explicitly encouraged by management and by regional monitoring teams and was welcomed by staff. However, for a social fund section to work effectively, it required good relationships with other parts of the office and with outside organisations. The section relies on information from other people and is also dependent on them to undertake work on its behalf. Where relationships are good, the work of social fund officers is reduced and often simplified, and considerable stress is avoided. Often, however, relationships were not good. Here we discuss some of the structural factors underlying the less than perfect relationships found in many offices and mention some of the contacts which social fund sections have with outside organisations.

`Us and them `feelings

In many offices the social fund was originally promoted as challenging, high status work for staff who were `going places' in career terms. The nature of the work
encouraged team working which in turn generated group cohesion and a separate, distinctive identity. Staff outside the social fund knew little about how it worked and what staff in the section did. What they did know was that the social fund section added to their own workload. In such circumstances it is hardly surprising that there was often little love lost between staff on the social fund section and those elsewhere in the office.

There was a lot of resentment towards the social fund section at the beginning-hand picked staff who do lots of talking-in the view of other sections. It's a lot better now-other sections are more understanding.

(Manager, City urban)

The social fund section think they are doing all the work. But in reality our problems are now their problems.

(Income Support Supervisor, City urban)

In the early days of the scheme the 'us and them' feelings were possibly exacerbated by ideological opposition to the scheme.

In April 1988 the trade unions were very 'anti' the social fund and people weren't sure what it involved.

(HEO(SF), Inner conurbation)

The rest of the office regard the social fund as an unnecessary evil. They have never grasped the concept of the social fund being so demanding on office resources. In all social fund planning we have to fight political opinion outside the office and fight political opinion inside the office.

(HEO(SF), Medium sized town)

There was a stigma attached to social fund work in some localities stemming from the perception that social fund officers were continually working with the 'worst kind of claimant'. In responding to the demands of these applicants social fund officers were seen to be individually accountable for their actions while, at the same time, being constrained by the local office budget. Social fund officers were thought to be in an impossible situation.

At first, social fund was generally viewed as the section dealing with the 'dregs' since it replaced ONPs. In reality, little is known about the social fund in other sections-apart from the main aim.

(HEO(SF), Medium sized town)

Social fund work was originally regarded as high status. Now it's the bottom of the pile-no one wants to do social fund work. Other sections only get to know about the hassles. At the beginning, the union's publicity may have put people off. Also the idea of having to face the public. The job is very soul-destroying when ‘we are here to help’ but can't because of the budget.

(SFO, Medium sized town)

Ironically, in other offices, staff on income support sections saw social fund work as a 'soft option', 'a nice job with little work to do'.

A few offices tackled the problem of isolation by deliberately moving staff around the office, although the specialised nature of social fund work added to the difficulty of arranging such transfers. Where barriers still existed they constituted major impediments to improved liaison with other sections.

Income support sections

All the work generated by the social fund for income support sections, whether the routine recovery of loans, checks on loan repayments or the exceptional assessments needed before crisis loan payments, was peripheral to the task of processing and paying income support claims. Therefore, regardless of the priority attached to tasks by the social fund section, these were likely to be of low priority for income support staff. At the same time, much of the work which income support sections created for social fund staff-for example, the failure to instigate recovery or to send notification that a person had moved off benefit-was the result of error and oversight by the former. Without the careful management practised in many offices, it was clear that relationships between income support and social fund sections were likely to be strained.

We've tried on both sides to sort out the problems. IS staff have sat with SFOs to learn about social fund. SFOs have produced a 'desk aide' for IS officers to assist in getting the timing of recoveries right.

(Income Support Supervisor, Medium sized town)

Reception

The important gate-keeping role which reception played in relation to the social fund is discussed in detail in Chapter 4. When the system was working well from the viewpoint of the local office, reception staff acted almost as honorary members of the social fund team.

There were a number of sources of tension. Reception staff had other time-consuming duties in addition to servicing the social fund section. Their training was insufficient for them confidently to decide how to respond to every potential social fund applicant. As a result there was a constant exchange between the reception and social fund sections throughout the day. There was a similar exchange, often directed through reception, between the social fund section and income support staff. These exchanges frequently acted as an irritant to social fund staff since they 'interrupted' the processing of applications which already burdened officers' desks. Again friction was only avoided or at least contained by good management and by the goodwill of staff.
Outside relationships

Administering the social fund brought local office staff into formal and informal contact with a number of outside organisations and professional groups. The detail of these relationships is discussed in Chapters 4 and 5 and only a couple of observations are in order here. Local office staff encountered much opposition to the social fund in the early days of the scheme and in some cases this prevented co-operation, and hindered dealings on individual cases. Sometimes staff at different levels in social services departments acted inconsistently which caused confusion among DSS local office staff.

Many outside professionals had little understanding of the social fund and were sometimes simply suspicious. On other occasions refusals to provide information on clients prevented social fund officers from gathering a full picture of applicants' circumstances. Despite the tensions which could arise, social fund officers generally worked well with outside professionals and agencies on individual cases. They perceived it to be very much in their interest to do so because they relied heavily on outside advice in making the fine distinctions which were the hallmarks of their job.

Social fund sections also have contact with unemployment benefit offices (UBOs) which pay unemployment benefit and income support to unemployed claimants on an agency basis for the Department of Social Security. The structural relationship between social fund sections and UBOs was very similar to that between social fund and income support sections. Many of the same difficulties arose and in some cases were magnified by the cultural differences between the two departments.

Finally, social fund sections communicate with social fund inspectors to whom cases are referred as the second stage of the review process. This process generated considerable extra work for both the social fund HEO and the officer who made the original decision. The process for dealing with social fund reviews, and officers' attitudes to the system are discussed in Chapter 5.

2.4 Implications

This chapter has described the administrative and social context within which local office staff and social fund officers in particular implemented the social fund. It has also provided an overview of the scheme, as expressed by local officers, and highlighted issues to be addressed in later chapters.

Two key characteristics of the social fund are its multi-faceted nature and the extent of interdependency it creates within the local office and, to a lesser extent, outside it. Consequently, the operation and effectiveness of each element of the scheme depends on, and can only be understood in the context of, the efficiency with which other components of the scheme are operated.

Administration of the social fund requires the management of disparate elements, each consisting of multiple tasks requiring different levels of expertise. The challenge for local office management was to bundle these tasks together, matching them with the available staff and computer resources, so as effectively to deliver the service to the public. In doing so it was necessary to take account not only of the relationships and interactions between the tasks and the wider impact on the office, but also of the need to create jobs that are both achievable and fulfilling. Not surprisingly, local offices devised many different responses to the challenge but a common characteristic was an emphasis on teamwork.

Social fund team work typically featured exclusivity, in the sense that the scheme was administered by specialists separately from other benefits, and inclusivity, with members of the team expected to meet common standards and, when necessary, to take on each other's work. The degree of exclusivity sometimes inhibited necessary liaison and contributed to the difficulty of recruiting social fund staff. Many offices had taken steps to reduce the problem, and most officers recognised the need to work closely together and appreciated the personal and administrative advantages resulting from this (Chapter 4).

Local office management had devised many different patterns of working within the basic team format. The differences largely revolved around the degree of specialisation within the social fund section and reflected the size of the office, the calibre of staff, past traditions and the desire to create the most fulfilling jobs for all levels of staff. The various specialisms-recovery, administration, crisis loans, computer work, money advice and liaison—were intended to reduce the need for exchange of papers and communication, to enable staff to 'follow through' more of the steps involved in a particular application, and to allow for the build-up of greater expertise. However, the objectives of specialisation, in particular the desire for streamlined administration and enriching jobs, were not always mutually compatible. In practice, managers appeared to differ, both in their appreciation of the issues involved, and in the choices made in implementing systems.

Equally managers differed in the resources at their disposal. While the computer systems were essentially the same, some offices were more fortunate than others with their equipment and some had more computer-literate staff. Many offices, but by no means all, were willing and able to deploy top calibre staff on the social fund. However, a sizeable number of managers argued that, given the way in which the social fund had developed, with more emphasis on processing and less on the detailed assessment of need, this was not a wise
deployment of scarce resources. For the same reason most officers considered that the intensive pre-implementation training which they received was inappropriate and not tailored to the practicalities of the job. This criticism was levelled at later training even though it was widely acknowledged to be an improvement.

The social fund is embedded in a network of dependency relationships within the local office and with organisations outside. Often the work generated by social fund sections was not seen as high priority by other sections intent on fulfilling their primary functions and within local offices. Relationships were sometimes strained by the reputation and separateness of the social fund teams and by feelings of ´us and them´. Outside there remained feelings of antipathy towards the social fund which had to be overcome by local office staff in their day-to-day contact on individual cases. Effective administration was dependent on the competent management of these relationships and offices differed in the extent to which resources were devoted to this task.

Social fund officers typically worked under considerable pressure. Partly the pressure derived from the multi-faceted nature of the scheme, partly from applicants whose circumstances could sometimes be very distressing, partly from the mutual dependence on other sections and outside organisations, sometimes from the volume of claims and partly from the need for officers to tailor their response to applications, and their personal values, to the prevailing state of the local office budget and priorities.

The work of SFOs was complex and often intellectually and emotionally challenging. In the minds of many officers this was what set their work apart from that in other parts of the local office: ´a preferable alternative to doing your sentence on income support´. Officers often took comfort and pleasure from being able to respond to the ´genuine´ needs of applicants (Chapter 4), but often had to turn applicants down and in the course of their daily work they continually had to confront themselves, face up to their own values and in the process take some decisions that ran counter to them. Conflict of values could sap morale.

The hardest thing is having to justify to applicants a system that you don’t agree with.

(Receptionist. City urban)

I feel that we have a social fund team of professional civil servants who have made the scheme work against many strong consciences.

(Manager, Medium sized town)

However, while the work on the social fund section was stressful and involved responding to the desperate financial circumstances of many applicants, it mostly comprised the relatively mundane processing of paper, input of data, and monitoring of loan repayments. Social fund work initially appeared innovative and attractive to officers but many felt that it had not lived up to their expectations. The irregular flows of work-typified by the urgent need to process crisis loans-made systematic planning of work at the level of the team and individual very difficult. The work could sometimes be frustrated by the errors and the inefficiency of other sections and organisations—a feature which contributed to, and was exacerbated by, the prevalence of ´us and them´ feelings in a number of local offices. Indeed the low priority which other sections and organisations attached to social fund work created obstacles for the effective implementation of the scheme, a recurrent theme in later chapters.
Local office managers and social fund staff have joint responsibility for the administration of the social fund, and for 'targeting help on areas of greatest need' (SSAC, 1987). Local managers, at the inception of the scheme, were responsible for identifying the range and type of need that could be met from the social fund and for translating the needs into local office priorities. Managers had also to ensure that the kinds of priorities being met fell within the local budget allocation. Social fund officers' responsibilities lay in day-to-day decision making and meeting the highest priority needs.

Establishing social fund priorities at a local level was a two stage process. The first stage was to prepare lists or categories of priority needs. Lists, for both community care grants and budgeting loans were intended to offer a framework to guide social fund officers in making decisions about applications.

The second stage was to introduce a mechanism for regulating spending. Local office managers were restricted in deciding what kinds of needs could be met at particular times by the requirements to take account of the local office budget.

The overriding principle upon which the budgetary system is based is that the total cost of payments must not exceed its budget allocation for that financial year.

(Social Fund Manual-2016)

Regulating spending was achieved by setting a 'cut-off line' or 'payment line' on the priority lists-only applications reflecting the categories of need above the line could normally be considered for an award. In a number of cases, lists were further ranked by subdividing categories of need into groups of 'high', 'medium' and 'low' priority status.

This chapter examines the process of setting and applying local office priorities. It examines the contents of priority lists, their style and presentation, and the level of guidance they provide for social fund officers. Finally, it considers the kinds of changes that have been made to priorities in the light of experience and fluctuations in rates of applications.

3.1 Establishing local priorities

Proposed approach

The Social Fund Manual and social fund training provided managers with a framework for setting local office priorities. Emphasis was also placed on the need to tailor priorities to reflect the demands of the local office catchment area. At the outset it was believed that managers would be able to use number of sources of information to achieve this.

Information may be drawn from within the office based on the expertise and local knowledge of staff, and on statistical data from previous benefit work, particularly single payment activity. Furthermore, it was envisaged that local statutory and voluntary agencies would play a key role contributing their knowledge and understanding of local needs. This expected input from outside agencies reflected one of the Government's prime objectives for the social fund-that of increased liaison between local offices and outside bodies such as social services and social work departments, health authorities and voluntary agencies. As well as agency intervention at a case level, the intention was that 'professionals' would be prepared to help 'in developing ideas on the longer term balance of services and financial provision' (Crnnd. 9691, 1985).

Setting priorities-local office practice

The process of setting local priorities at the outset of the social fund varied among local offices. Using a combination of experience gained at their social fund training course and the Social Fund Manual, managers prepared guidance on social fund priorities in the form of lists. In some offices, draft lists were discussed and amended by other members of staff including higher executive officers (HF®), social fund staff, single payment staff and special case officers.

The HEO took responsibility: looked at single payment expenditure statistics; consulted officers working on single payments; talked to colleagues about the most important household items; and constructed a loans list by trying to put themselves in clients' positions with regard to priorities for replacing items. It was a collective effort.

(HEO, Town office)
The social fund was introduced under a former manager. He returned after his training course and passed his notes to the HEO (social fund) saying ‘I've got my ideas, you work out yours’. There followed detailed discussions with staff and liaison with X (another local office). Very detailed lists of priorities were constructed.

(HEO, City urban office)

Elsewhere discussions were confined to just the manager and HEO. In a small number of offices the manager had taken sole responsibility for the writing of priority lists.

In some cases, the consultation process took place at a group or regional level. HEOs and office managers met colleagues from other local offices to discuss the composition of lists and achieve 'a common set' of priorities. Lists were prepared at a group level in order to achieve a degree of consistency in the kinds of awards being made. Concern about scrutiny of local welfare rights organisations was another factor influencing the decision to draw up similar or identical priority lists in neighbouring offices.

The priorities were agreed between the four local offices in this group by the HEOs for the social fund. They have the same priority list for each office-they have to be consistent between offices because there is strong welfare rights pressure in the city and social fund staff don't want them to be able to compare one office with another.

(Manager, Outer conurbation office)

Many local office managers spoke of the difficulties they had experienced in establishing priorities at the outset of the scheme. They found the notion of introducing statistics drawn from single payments records more complex than they had anticipated on the basis of the Social Fund Manual and management training courses. Several said they had been unclear about how to utilise single payment experience. Should items and services found to be in 'high demand' under the single payment scheme consequently be given 'high priority' under the social fund or should they be marked as a low priority in order to control spending? At the inception of the scheme, many had regarded the social fund as an 'unknown quantity' and had felt unable to anticipate the level and type of demand, particularly for loans. One office manager questioned the value of attempting to prepare priority lists to reflect socio-economic or demographic trends since, in his view, 'certain prominent groups' in the community, such as pensioners, are traditionally under-represented in benefit take-up. Some managers recalled the exercise of drawing up local priority lists as 'one of trial and error' using a 'mixture of luck and judgement'.

In practice, the input from external agencies was less than anticipated. In the majority of cases managers were frustrated in their attempts to involve outside agencies in the process of setting priorities. Many reported having invited contributions both at the outset of the scheme and at the beginning of the second year but the response had been poor. A number of reasons were suggested for this. In some cases, managers felt that agency staff simply do not have access to demographic information useful in preparing priority lists. More commonly, the low response was believed to be the result of policies of 'non-cooperation' practised by many statutory and voluntary groups in relation to the social fund. Consultations with advisory agencies confirmed this to a large extent. A number of social workers recalled that they, or their team leaders, had been asked to comment on early drafts of priority lists. However, none had responded to these invitations partly because of their trade union policy of 'non-cooperation' but also because as individuals they had felt unhappy about involvement in setting priorities.

As a result, the intention to tailor lists to reflect local needs largely failed to materialise. Instead, managers drew most heavily on the Directions and guidance in the Social Fund Manual in constructing social fund priorities for their office.

**Budget profiling**

As well as preparing local priorities, managers were also responsible for regulating budget spending. At the outset of the scheme, it was recognised that 'while consistent standards are to be aimed at throughout the year, the result cannot be expected to be a completely uniform rate of expenditure each month' (Social Fund Manual-2041). To cope with these fluctuations in payments, a national model or 'budget profile' was issued to each office incorporating a planned level of month by month expenditure. Managers were also encouraged to ensure that their profile would accommodate any local variations in projected patterns of applications for example by seeking information from regional health authorities on proposed hospital closure and the rates and timing of people discharged from institutions.

In practice a relatively small number of managers reported having sought information of this kind. Of those who had, few received a response. Some commented that they felt local councils and health authorities were not engaged in the kind of detailed forward planning necessary to produce information which would affect the budget profile.

In 1989 the office managers in the area met the Director of Social Services but the latter's forward planning relied on fragmented groups with no statutory responsibility to provide consistent statistics and therefore he couldn't provide information. The HEO met X Hospital for mentally and physically handicapped; 'phoned the resettlement officers at the Salvation Army, the probation service, Citizens Advice Bureau and social services . . . none of this seems to have caused deviations from the national profile.

(HEO, City urban office)
This section describes the broad contents of priority lists collated during the research. Some examples of priority lists are included in Appendix 2. Priorities for budgeting loans and community care grants were generally presented separately. Although there were significant differences in both emphasis and presentation the range and categories of needs they incorporated generally covered the following:

- types of items, services or expenses which may be considered a priority for an award;
- types of client groups who may be given priority for social fund awards;
- suggested reasons for applications; or suggested circumstances in which an applicant may be treated as in priority need.

Current statements of office priorities were generally incorporated into memoranda, and occasionally letters, from local office managers. In some cases, steps had been taken to make the contents list accessible to outside agencies. Brief explanatory notes about office priorities, or about the social fund generally had been produced and one office presented the entire contents of the priority statement in the form of a letter addressed primarily to local agencies. For the most part, however, priority lists were intended first and foremost as working documents for use in the local offices.

Priorities for community care grants

The objectives of community care grants are contained in the Secretary's Social Fund Direction 4. In part their purpose is to complement the Government's policy of 'community care' by providing financial help to individuals and their families to 're-establish themselves in the community and/or maintain themselves in the community, so as to continue with family, friends and local life' (Social Fund Manual--6011). Grants have two further intended purposes: to help meet the needs of an applicant, and his or her family, whose situation may be construed as 'under exceptional pressure'; and to 'assist with certain travel expenses within the UK'.

Priority lists for community care grants often simply restated these objectives by replicating Direction 4. Other lists provided more guidance by elaborating upon the kinds of circumstances in which an applicant may be considered a priority, for example by providing suggestions of the kinds of events which may cause 'exceptional pressure' in the household.

In addition, some lists also specified suggested priority client groups; and on rare occasions priority items or services. Priority client groups invariably replicated those suggested in the guidance, and typically included the 'elderly', 'sick and disabled', 'families under stress', ex-offenders, people 'who have misused alcohol and drugs', 'those without a settled way of life' and 'young people leaving care'. Contrary to the Manual guidance, however, they were most frequently ranked by number. In a few priority lists groups such as 'young people' or 'families under stress' had been omitted either deliberately or in one case by oversight. Some had added new groups, not suggested in the Manual, to their list. Examples included 'lone parents', 'unemployed couples with children', or 'other income support recipients'.

Specification of items, although a feature of some CCG priority lists, were relatively rare. Items of services tended to be more characteristic of guidance for budgeting loans. However, some lists presented items, for example of 'essential furniture' alongside ranked priority client groups.

Priorities for social fund loans

The target group for budgeting loans differed significantly from community care grants and this was reflected in the contents of priority lists. While community care grants were intended to help people facing 'special difficulties arising from special circumstances' budgeting loans were to help people in receipt of income support 'spread intermittent expenses over a longer period'. As their name suggested they were intended as an aid to 'budgeting' for larger, lump sum items or services.

The list of items for which a loan may be needed included 'essential' and 'non-essential' furniture, housing-related costs including removal expenses, decoration and specified fuel costs, clothing and leisure items, ranked and usually subdivided into 'high', 'medium' and 'low' priority. Again for the most part they replicated the range of needs suggested in the guidance. Some also included suggested client groups, similar to those used for community care grants.

priority lists were additionally prefaced with a statement suggesting that 'high priority' be given to applications where 'refusal could cause hardship, or damage, or risk to health or safety' for the applicant or his or her family. These included making awards with the objectives of 'improving' or 'maintaining reasonable living conditions', or 'helping applicants live more economically'.

The circumstances for making a crisis loan were not specified, nor ranked in any way. Instead crisis loans were normally defined as awards intended to help with
3.3 Priority lists—guidance and discretion

Neither the Manual guidance, nor local priority lists were intended to be treated as exhaustive, but were to be used as guidance in the assessment of an applicant's needs. SFOs should use discretion and consider each case 'on its own merits'. Extracts from the social fund manual state this clearly.

SFOs should remember that SF payments are discretionary and the absence of directions or guidance applying to the particular item, services or expenses of a given application does not mean that help should be refused.


The guidance should help SFOs to reach a decision, but they should always use their discretion and consider circumstances which appear to be outside the scope of the guidance. SFOs should remember that social fund payments are discretionary and the absence of directions or guidance applying to a particular circumstance, item or service does not mean help should be refused.

(Social Fund Manual----6026, Community Care Grants) (Emphasis added by authors).

In practice, there were a number of factors which affected the extent to which SFOs were able, or chose, to use their office priority lists simply as a guide to assist in deciding whether or not to make an award. The process of listing priorities as printed documents, issued and signed by office managers had the potential to transform 'guidance' into 'rules'. Faced with the pressure to remain within the budget allocations, SFOs themselves may have tended to seek authorised intructions about making an award. (Chapter 4 explores in detail the relative importance of the budget and priorities, the law and guidance in social fund decision making.) The style and presentation of lists, and the level of their specificity, could also have influenced the way in which SFOs used lists when assessing applications. The following sections describe how, in practice, priority lists varied in their style and specificity and their emphasis on discretion.

Discretionary powers

Most, though not all, priority lists included a statement relating to SFO's discretionary powers. Statements typically reminded SFOs of the need 'to consider each application on its own merit'.

Individual circumstances are paramount. Priority should be based upon the exercise of reasonable discretion taking account of all relevant information.

(Community care grant priority list footnote)

The relative priority of a particular need will always be determined by the SFO at the time of his discretion having regard to the Law, Secretary of State's guidance and directions, and the circumstances of the individual application.

(Introduction to budgeting loan priority list)

However, there was varying emphasis placed on SFO discretion and the need to treat lists simply as guidance varied. In some offices, such statements were presented prominently at the top of priority lists. Elsewhere they were included as a footnote. About one-third of priority lists from the local offices made no written reference to SFO discretion.

Presentation and style

The presentation and style of lists could potentially affect the way decisions were reached. The prominence of priority lists in the local offices varied. Occasionally they were enlarged and displayed on the walls of the social fund section. Most frequently they were reproduced as printed lists and circulated among all SFOs.

Some lists comprised just one category of suggested priorities for example, ranked items. Inevitably these provided relatively clear guidance to the SFO in contrast to those lists in which more than one dimension was presented such as items alongside client groups. In the case of the latter, the onus was on the SFO to consider each aspect of the application before reaching a decision. In these circumstances the focus for a decision was less clear. However, one office used an interlocking matrix of client groups and items to incorporate this two dimensional focus'. This provided a framework of cells onto which applications could be mapped. A number of managers reported having experimented with presenting priorities as matrices but had found them either too rigid to allow SFOs to use their discretion, or too complex. (see Appendix 2.)

Levels of specificity

Although the broad categories of need suggested in the Manual were normally retained in some form, some lists were more detailed and specific in their guidance than others. The extract below, taken from an office list for community care grants, provides an example in which the definition of suggested client groups has been elaborated.

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Although the DSS had banned the use of matrices in 1988, at the time of the preliminary fieldwork these were known to be still in use in some local offices,
High priority

1. Elderly people—particularly who have restricted mobility or have difficulty performing personal tasks.
2. Physically disabled people—this includes the seasonally impaired.
3. Chronically sick people—particularly the terminally ill.

(Extract from CCG priority list)

By implication, the emphasis and scope for SFOs to use their discretion is reduced when lists are made more specific. The example below suggests criteria for SFOs to consider when making awards under the category ‘families under stress’.

Applications fitting one of these criteria may be considered as a ‘medium’ priority for a community care grant award.

1. Breakdown of established relations.
2. Deterioration in the applicant’s home which makes it unfit or unsuitable for the applicant and family to live here.
3. The beginning of continuing existence of persistent disability or chronic sickness.

(Extract from CCG priority list)

In other offices client groups were combined with health and personal circumstances to suggest the ‘highest priority’ for an award as indicated in the following extracts from priority lists.

‘High priority’

cooker; bedding/heating; reconnection costs, meter installation/relocation; washing machine/drier. For the mentally handicapped; the mentally ill; the physically disabled; the chronically sick; the elderly; families with disabled children.

‘High priority’

Mentally handicapped or physically disabled or chronically sick people leaving institutional care to set up home in the community, either in their own unfurnished accommodation or in a group home where they are self contained, requiring items that are essential to them.

(Extracts from sample priority lists for CCGs)

A few managers had intentionally kept priority lists as broad, generic statements, in order to avoid fettering the scope for SFO discretion. However, the vast majority had taken steps to increase the specificity of broad categories suggested in the Manual using the kinds of strategies suggested above.

A number of reasons were given for this. Some managers said they had found that the wording of suggested priorities in the Manual lacked clarity, and offered ‘insufficient’ guidance to SFOs. More commonly, managers had prepared clearly defined lists in response to budget pressure and the desire to achieve some staff consistency in decision making. SFOs too were acutely conscious of budget pressures, particularly in offices where the allocation was felt to be inadequate for the rate of applications. The need to make ‘appropriate’ decisions about applications, which were acceptable and consistent with colleagues was an important consideration. Several spoke of the difficulties they had experienced in interpreting priority lists. Achieving a consensus had proved problematic in some cases.

Families under stress are probably the most difficult area for determining priorities. 60 per cent of applications probably have to be considered against this criterion. We have a local authority homeless unit in this area with a high demand for start-up grants. I find it helpful in considering ‘stress’ to think about what has happened before, that is how used to stressful situations people are, and how long situations have been going on.

(SFO, Town office)

We have to try and interpret ‘serious risk’ in the way society sees it for different groups of people.

(SFO, City urban office)

Under tight budget pressure, SFOs generally welcomed and contributed to a clearer definition of priority needs however at odds with the concept of discretion. The next section describes how priority lists were further adapted in the course of the financial year in response to the constraints imposed by local office budgets.

3.4 Controlling spending

The social fund was designed to ‘target help in areas of greatest need’. With limited resources it will always be the case that some needs cannot be met. Earlier sections of this chapter explored the ways in which local offices constructed and ranked their priority lists. At any particular point in time, however, the local office budget would limit the amount of money which could be paid out in awards. As a result, SFOs must also decide which applications are from people in circumstances of ‘greatest need’ and how many of these can be helped.

Local offices were engaged in a process of adjusting priorities so that social fund spending does not exceed the budget allocation. In some cases increasing specificity of priorities proved an effective way of regulating expenditure. More frequently, officers had also to resort to other means of amending lists to control spending. The methods of controlling spending, and their impact on the kinds of needs being met in local offices are explored in this section.

Payment lines and ‘fine tuning’

Priority lists are normally ranked into groups of ‘high’, ‘medium’ and ‘low’ priority and a ‘payment’ or
The range of need being met at any one time could be controlled by making these kinds of amendments in response to budgetary pressure. Often the process was ongoing. Tightly defined or limited priorities could lead to budget underspending while the subsequent relaxation of priorities could culminate in over spending. A cyclical pattern would often emerge in which an office would need to regularly alter the kinds of awards being made. In some cases, periodically excluding particular items such as `clothing' or `floor covering' was found to be a satisfactory regulatory mechanism. However, removing broader categories such as `families under stress' tended to be more problematic and could quickly lead to underspending.

Experience has shown us that applications in the higher priority situations (i.e. those relating to community care) are infrequent, with the majority of applications falling in the `family under stress' category. On a day to day, week to week basis, this is likely to remain so. To decide that applications for `families under stress' are too low a priority would inevitably and quickly lead to a budget underspend.

We, therefore, find ourselves in a catch-22 situation ... it has been decided that families under stress will be considered for payment, but only high priority items.

(HEO, Outer conurbation office)

Social fund officers reported that public awareness of the kind of items and circumstances at the top of an office's priority list was a further factor perpetuating the need to readjust priorities. Increased public knowledge of the kinds of awards being made led to a subsequent increase in the kinds of applications submitted. Inevitably increased numbers of applications led to increased spending. and offices were forced to again review their priorities.

It's proved very difficult to find a point where expenditure is constant. It has to be very carefully timed. When the line is altered, the type of demand alters accordingly—much of this is due to the grapevine of local communities.

(HEO, Outer conurbation office)

Paradoxically, in extreme cases, items which appeared to be in greatest demand had to be moved down the priority list since office budget allocations could not afford to meet them.

Adjusting payment-staff views

These adjustments could be problematic. Several SFOs expressed concern about the inconsistent decisions resulting from frequent changes to the priorities being met; inconsistencies which they found difficult to justify to the public. Many had developed a practice of waiting for a few months before altering the payment line in the hope that application rates would stabilise and several stressed the need to reduce to a minimum the number of times payment levels were changed.
We are expecting the new budget and will aim not to adjust priorities more than once during the year to maintain consistency. I prefer to start off tightly to see if savings are made at this level (of priorities), and then to become more generous if the budget has capacity to compensate towards the winter.

(HEO, City urban office)

Many local office managers reported difficulties they had experienced in making appropriate adjustments to priorities. Attempts to stabilise the kinds of awards being made were often compounded by unpredictable fluctuations in demand. A number of managers complained that the social fund micro failed to produce useful information on the kinds of applications received, and awards made.

... (it's) difficult to assess why we're over-spending. For example is one group absorbing too great a percentage of the budget? We would like a greater breakdown of the client groups from the computer.

(Manager, Outer conurbation office)

Social fund staff in some offices felt that changes to priority lists had been inappropriate and badly timed. In one office a backlog of unprocessed applications, arising from a period of staff sickness and leave, had been misinterpreted by managers as an increase in demand. As a result the range of social fund applications being considered for awards was reduced and this had unnecessarily led to underspending. In some offices, SFOs said they would welcome more input on adjusting payment levels.

We would have liked priorities to be changed earlier because we could see demand was increasing. Now we're in an awkward position, very short of loans money for the last week and a half and having to shuffle and sort claims.

(SFO, City rural officer)

... there was a long running battle over the priorities between management and the unions last autumn. The unions considered that management left it too long to lower the line to include medium priorities. It could have been done four or five months earlier.

(Trade union representative, City urban office)

3.5 Conclusion

At the inception of the social fund managers were instructed to formulate a set of priorities for each local office to reflect the kinds of needs that would potentially be met by the social fund. The intention was that ‘office priorities’ would be used by SFOs as guidance in deciding whether or not to make an award. The Social Fund Manual contains suggested lists of the kinds of needs that could potentially be met by the fund, grouped in three ways-lists of items, client groups, and suggested circumstances in which an award could be made.

The final design and compilation of ‘priority lists’ was the responsibility of the manager, who to a greater or lesser extent consulted other members of staff. In practice, tailoring ‘priority lists’ to suit local needs proved a difficult task. Managers who in the spirit of increased liaison with outside agencies had invited contributions from local voluntary and statutory bodies reported a poor response. Within local offices the degree of consultation with other officers varied. In practice, managers appeared to have relied heavily on social fund guidance in formulating priorities and as a result the broad contents of lists for both grants and loans tended to reflect those suggested in the Manual.

While managers had ultimate responsibility for the priority lists, in many offices their contents and the way they were applied in decision making, was influenced by the budget allocation and the need to control spending’. The impact of budget constraints took a number of forms as lists were ranked and subdivided to offer clearer guidance to SFOs. Moreover, in many offices lists were adjusted during the financial year in response to budget pressure and fluctuations in application rates. The necessity to involve SFOs in the process of amending and redefining office priorities often increased over time, and managers had a decreasing role in ‘setting priorities’ and monitoring payment levels.

Quite clearly, in some offices the capacity of the local office budget to respond to applications was a driving force shaping both the contents and design of priority lists. In these offices the intended purpose of priority lists as a guide to help social fund officers in making decisions had been superseded and instead lists had become a vehicle for controlling spending. The next chapter considers in detail how priority lists are interpreted in the process of making decisions, and in particular examines how much importance they are afforded in relation to other factors such as discretion and the social fund Law.

2 Direction 41 introduced following the Judicial Review requires district managers to personally review and revise the level of priorities being met from their budget.
This chapter seeks to explore the process of decision making and use of discretion by social fund officers. In dealing with social fund applications officers have to decide whether to make an award, and, if so, what form it should take and how large it should be. The process by which they reach these decisions is complex. Here we attempt to cut through the complexity by imposing a relatively simple structure on the discussion.

From conversations with social fund officers it is apparent that they often make a distinction between decisions relating to the identification and specification of ‘needs’ and decisions about ‘meeting those needs’. Figure 4.1 makes this distinction clear although in the process of reaching a decision an officer is continually moving between one mode of thought and the other.

In identifying need, and establishing that it is ‘genuine’, a word used very frequently by social fund officers and consistent with the social fund objectives presented in the Green Paper (Chapter 1 above), the officer uses various kinds of information. This is evaluated and interpreted largely through the application of what, in the literature on clinical decision making (Hamm, 1988), is termed intuitive and peer-aided judgement (Figure 4.1). These forms of judgement are used in ‘discretionary’ decisions relating to whether a need can be met and, if so, how and to what extent. However, the set of actions from which a social fund officer can choose is in varying degrees determined by the Law, the Directions and the accompanying guidance, the local office budget and local priorities.

Following this model of decision making (Figure 4.1), we first examine how officers establish need and secondly, how they respond to it. A final section examines some of the tensions experienced by local office staff and management in attempting to reconcile discretion with consistency.

4.1 Establishing need

Identifying need

A social fund officer must first establish the facts of the case and then, on the basis of those facts, attempt to establish whether the need is genuine. The concept of ‘genuineness’ as employed by SFOs has a number of overlapping meanings. It relates to factual accuracy, but also to whether the need is perceived by SFOs to cause significant hardship and therefore whether the ‘true’ situation constitutes grounds for the provision of an award.

An iterative process is usually adopted by social fund officers in which increments of information are evaluated with respect to the questions ‘is there need?’, ‘what is its nature, extent and urgency?’, ‘is it genuine?’ and ‘is it covered by the social fund?’. The process stops when the officer decides that his or her mind is unlikely to be changed by any easily obtainable additional information. The length of this iterative process is determined by a number of considerations. Most important are the answers inferred from the information, some of which provide more or less conclusive reasons for closure, and others require a further set of questions be addressed.

We are not only interested in WHO asks for WHAT, but WHY is often the most important factor. (SFO, Outer conurbation)

Each piece of information in the application triggers a set of investigative questions, both constraining and expansive. You then seek further information----or make a decision on trust. (SFO, Outer conurbation)

These inferences are themselves conditioned by factors which act to influence the search for additional information. These include the local office priorities, the state of the office budget and the pressure of work generally. Thus, for example, SFOs reported that detailed information was less important when budget pressures were not severe and they did not have to discriminate between ostensibly similar cases. Equally, where the pressures on the budget were intense, there was often little point in soliciting further information since only ‘self-evidently extreme’ applications could be given awards.

At the beginning of the month there is money in the budget. You may not bother to follow up additional information such as reason for need----you just assess for a BL as it is. (HEO (SF), Inner conurbation)
Figure 4.1 Making social fund decisions: A model

Processes | Decisions | Influences
---|---|---
Is there need? Is it genuine?
| Can need be met?
| How can it be met?
| Extent to which it can be met,

Intuitive and peer-aided judgement

If the need for the item is not clear, we'll seek further information. But it depends on how under pressure the officers are. When dealing with a backlog, there may be no time to seek further information, or if only paying high priorities they won't obtain more details.

(SFO, Small town)

Sources of information

Officers use several sources of information often for different purposes. For a budgeting loan or community care grant the starting point is the application form. The forms, however, often fail to elicit sufficient information about the items requested. This is frequently because people ask for a number of items, given different priorities and with different costs, while the form only provides space for one overall cost. Some offices automatically issue a supplementary sheet with the application form in an attempt to overcome this problem.

With community care grants, in particular, applicants frequently volunteer too little information about their health problems. Officers usually have recourse to the income support case-papers to look for evidence of the receipt of health related benefits or any other indication of health or other needs relevant to the claim.

Officers often write to applicants for further information, telephone them or ask them to telephone the local office. Interviews are relatively rare, except in relation to crisis loan applications. This is primarily the result of resource constraints but also causes less inconvenience to applicants. Home visits are usually rare although in some offices they take place quite frequently. In one office, where three or four social fund visits were made each week, SFOs argued that it was `very difficult to make judgements from a piece of paper', that income support case-papers contained insufficient information on new applicants, and that a home visit `helps you to understand how people live and prevents bias'.

Another source of information used by social fund officers is confirmatory evidence from social workers and others having a professional caring relationship with the applicant. A care worker's input, although only occasionally sought, may well tip the balance of the social fund officer's decision. Contact names may be given on the application form, or may come from the income support case-papers where there has been professional involvement in the past. Very often the social fund officer takes social or health worker involvement with an individual as sufficient grounds for giving an application high priority. On other occasions a telephone call provides enough `evidence' to ensure an award. As well as providing additional information on a case, their input may be very practical, such as helping an individual overcome the difficulties of presenting his or her case, or simply assisting in completion of the social fund application forms. However, the care worker or benefit adviser must have credibility with the local office and where this is not the case advocacy may work against the interests of the applicant.

The health visitor gets forms by the barrow-load but they get to the right people. It makes your decision a lot easier when you get back-up.

(SFO, Small town)

Women coming out of the local refuge wanting start-up grants: all of them have no clothes and furniture and they present us a list. The supervisor there is telling them all to apply. We can't rely on her.

(SFO, Outer conurbation)
Benefit advisers may also have a significant impact on the outcome of individual applications although according to local office staff, their involvement is relatively rare. They sometimes provide confirmatory or additional evidence regarding the case, either initiated by themselves, or in response to a query from the social fund officer. They may also act as advocates.

People with somebody speaking on their behalf always get paid.

(SFO, Small town)

**Uses of information**

Officers use information to build up a rounded picture of each applicant and his or her circumstances. However, in performing their duties as social fund officers they use the information which they collect for different purposes. It is helpful to focus on three of these: ‘weeding out’, establishing ‘genuineness’ and interpreting need.

**Weeding out** ‘Weeding out’ is a term used by some officers for early identification of potential applicants, who are unlikely to be granted an award. In most cases these people belong to groups, or are requesting items, which are either explicitly excluded by the directions or which are of very low priority. Examples include requests for work-related expenses and financial assistance in seeking new employment, both of which fall outside the scope of the scheme. The items and clients which were accorded ‘low priority’ varied considerably from one office according to the contents of priority lists, and the position of the payment line (Chaper 3). Once an application is received it has to be fully processed. To reduce the pressure on staff, it may, therefore, be in their interest to minimize the number of applications from people unlikely to be given an award.

Reception staff see it as their job to encourage people to make an application to the social fund but they also recognise that they play a filtering role (Chapter 2). Many application forms for budgeting loans and community care grants are collected personally from the local office and receptionists report that often people come to the local office with very unspecific requests for help. Callers may either be encouraged to apply or discouraged from doing so.

The receptionist said she urged people to fill in forms even if they weren’t eligible, or were unlikely to get help, and to apply for as many items as they liked-on the grounds that she didn’t want to influence the outcome of decisions and that people would be counted in the statistics. The social fund section gave her a priority list but she ignores it.

(Outer conurbation)

Filtering is particularly important in the case of crisis loans. Because of the urgency attached to crisis loans and their requirement for interviews, they can place social fund sections under great strain. In some offices reception staff are aided by the provision of a formal checklist of questions. In others, staff have evolved their own set of questions, or rely on the social fund information leaflet or the application form itself. Once convinced that the caller is a potential applicant or that they will insist on pursuing an application the receptionist contacts the social fund section. Typically further questions are asked of the potential applicant by the social fund section through the receptionist, although the social fund administrative officer may come to reception to seek further information before deciding to grant an interview. Very often the income support case papers are consulted before an interview is conducted so that the administrative officer begins with ‘a fair idea’ that a crisis loan will be offered.

A lot of ‘weeding out’ goes on. We don’t like to interview unless we know the person is likely to get a crisis loan. In these cases, the application is entered on the micro (to get credit) but is classed as ‘withdrawn’.

(SFO, City rural)

Applications for budgeting loans and community care grants can be ‘weeded out’ at two points. First, when application forms are requested and secondly, when forms arrive in the office. In the latter case, and in some offices only, applications are looked at briefly, sometimes by an administrative officer, to see whether the need is urgent. If it is, the application is dealt with as soon as possible; if not, it takes its turn along with the others.

‘Identifying genuine need’ A crucial concern for social fund officers is that the need to which they are being asked to respond is ‘genuine’. This concern is heightened by the budget constraint which means that in some circumstances a payment to one person will mean that another has to be turned down.

There is a need to balance an acceptable level of abuse against the effects on other people with competing needs.

(SFO, Outer conurbation)

Additional information is often used to help establish whether a case is ‘genuine’ although, at some point, social fund officers have to make judgements on a balance of probabilities. Often these judgements are made early in the process of assessment. Afterwards attention turns to ways of responding to the need, and to getting a better understanding of its nature and the extent.

Officers found it difficult to specify how they made these judgements which often appeared to be intuitive, informed by experience and, on occasion, by previous dealings with the same individuals.

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I've had 15 months on the other side of the glass and I'm a pretty good judge of whether the need is genuine or not. Dealing with the public sometimes you can read them like a book. Equally with confidence you can turn them away.

(SFO, Small town)

SFO's know some applicants personally and will do all they can to help them where they know the circumstances and can thus confirm 'genuineness'.

(HEO, Medium sized town)

It is not surprising that officers find it difficult to talk about this process. Indeed it is consistent with some of the models that appear in the literature on clinical decision making. Dreyfus and Dreyfus (1986) for example suggests that clinicians' reasoning moves in stages from being analytic, to a reliance on others, to being intuitive as they become more experienced. The observations made during the visits provide no basis for saying whether the skills of social fund officers develop in a similar way, although a number of staff did reflect on how their approach to the task had changed.

SFO's have got to treat cases objectively. It requires experience. You have to think carefully about the case-I might hate the man-but I have to pretend I don't know him. He has a problem. He wants this. Can I do it? Can't I do it? I'm married with a family. I probably unconsciously put myself in their place. I used to get very involved and weep buckets of tears. I don't get that involved, but I can still be sympathetic and see their view.

(SFO, Outer conurbation)

Discretion is open to abuse if you get the wrong person doing it. I've been a claimant myself and that helps. Some officers have a stereotyped view of a claimant. When you turn somebody down I say I'm sorry but . . . I don't feel happy about turning people down. It's obviously clouded everything working here five years. You see problem people but I haven't gone totally the other way.

(Administrative office (SF), Outer conurbation)

Frequently the processes of establishing need and `weeding out' take place together on the basis that if an applicant decides not to pursue an award it is reasonable to assume that the need is not `genuine'.

He comes in and says `I want a crisis loan'. I say what's brought on the crisis then? That could catch people out. A fair proportion I am able to turn away.

(Receptionist/administrative officer, Outer conurbation)

People coming to reception are often sent away to check that they've no money in bank/building society accounts-some don't come back.

(HEO (SF), City urban)

Social fund officers are generally sensitive to the possibility of bias entering into their judgements. This is one reason for the frequent discussions which take place between officers. Confirmation from care workers is also a highly valued mechanism for 'sharing responsibility' in decisions about 'genuineness'.

Specifying Need Social fund officers also use information to help locate an applicant's circumstances within the language of the Law and guidance: is this a 'family under stress?', is the applicant or his or her family under 'exceptional pressure', or 'chronically' sick? This process almost always involves a two-part question. First, 'what do the Law, Directions or guidance mean in the context of this applicant's circumstances?' and secondly, 'do the applicant's circumstances place them within the meaning of the Law, Directions or guidance?' Officers inevitably find it difficult to interpret terms like 'stress' or 'exceptional pressure' and may sound out the opinion of their colleagues. However, as a group they often feel themselves ill-equipped to make certain decisions, especially with respect to medical conditions and their effect on applicants' quality of life. In such circumstances, they come to rely heavily on the judgements of care-workers, where available.

Where external advice is not available, either because it is difficult to find a named person to refer to, or because pressures of work prevent more thorough investigation, officers tend to rely on rules of thumb. The receipt of attendance allowance or mobility allowance may be taken as an indication of chronic sickness, but this leaves officers in a `quandary' about conditions such as asthma. To help identify `stress' in families, officers may look for evidence of sickness, the persistence of adverse circumstances or for an `effect on family life'.

The SFO finds it helpful, in considering stress, to think about what has happened before, i.e. `how used' to stressful situations people are, and `how long' the situation has been going on.

(City urban)

The SFO believes that the most difficult thing to quantify and decide about is `stress'-how can you assess this without seeing a person in their own home? Because of the budget, you can only pay for `exceptional stress' if it affects the life of the family'. This then lead to a discussion about the norms of family life and the SFOs were divided. Some thought they should look at the `client norm' not their own. The others said these shouldn't be different.

(Inner conurbation)

In their place

When attempting to articulate how they reach decisions about need, social fund officers frequently refer to putting themselves in the position of the applicant. This use of empathy is seen as an attempt to overcome the risk of bias to distance themselves from their own values
and to discount aspects of the applicant's lifestyle of which they disapprove. At the same time some officers recognise bias arising from their own personal experience which means that they can put themselves more readily in some people's situation than in others'. This can work in two directions. It is easier to be more sympathetic to people in circumstances which you have experienced. On the other hand, having been in those circumstances one might be better able to detect errors and inconsistencies in the story offered. One might even be less tolerant since, perhaps through one's own efforts, one is no longer in that situation.

One SFO thinks about her own circumstances and expectations--then uses facts provided by the applicant to decide the case. 'You can't not make judgements. You compare applicants with yourself'.

(Outer conurbation)

One SFO observed that the priorities of individual SFOs depend very much on their own circumstances, their age groups and what they expect. She sees herself being sympathetic to the needs of people with children because she has one of her own; another SFO is sympathetic to the needs of elderly people because she has an elderly mother in difficult financial circumstances. 'It's all subjective and judgemental.'

(City urban)

### 4.2 Meeting need

Once a need is recognised as 'genuine' the officer has to determine whether it can be met and, if so, how and to what extent. The decision is discretionary but is to a greater or lesser extent influenced, or constrained, by the local office priorities, the Law, Directions and guidance and the budget. Priorities and budgets vary from office to office, so officers differ in the extent to which they have access to 'strong' discretion, where they themselves construct the standards to apply in making a decision, or 'weak' discretion where the standards are effectively determined for them (Dworkin, 1977).

**Local office priorities**

As explained in Chapter 3 each local office manager is charged with the responsibility for devising a set of priorities to be taken into account by social fund officers. In most offices these priorities are central to officers' decisions, especially those concerning budgeting loans and community care grants. A few officers make very little use of the office priorities but sometimes they were believed to have been internalised and, in that sense, *form* a key component of the officer's intuitive judgement. But, in one case, the priorities were not referred to because the office was paying for only the most basic items. There was no need to look beyond a simple decision: 'was the item allowable or not?'. In another case a single social fund officer had few real resource constraints and was paying awards for most items. In her case spending was finely tuned by adjusting the *size* of payments and, as she said, 'It's really me who sets the priorities'.

The first question asked, often during the process of 'weeding' out, is 'does this person, or the item requested, fall within one of the excluded categories?' If not, a decision is taken, in the light of the office priorities, as to whether or not the need can be met.

With budgeting loans we begin by looking at the item; see where it is on the list; how much can the person afford to repay (if nothing we will look, as we always do, to see if there is a health problem that would qualify them for a CCG); we look where the person is on the priority list. We are not supposed to consider client groups for budgeting loans. Originally the office was not paying single people but the social fund inspectorate was critical of this. If they are refused a budgeting loan we may offer a crisis loan, but only on high priority items.

(SFO, City rural)

Crisis loans are top of the list. The rest are divided high, medium, low. High are always paid but items in medium or low may be made high if there is a particular reason for the need. Generally the lists are used pretty flexibly.

(SFO, Outer conurbation)

Three considerations are important: what the priorities are, how they are presented and which kinds of application are currently being met. The variations between offices, especially with respect to the second two considerations, are substantial. Moreover, they appear to affect the way officers make decisions, and the strength of discretion which is exercised.

Chapter 3 revealed that the priority lists prepared by local offices differ considerably in presentation, content and specificity. At one extreme, items and groups of applicants may be spelled out in detail. At the other, a list may be little more than a restatement of the broad Secretary of State's Directions drawn from the Social Fund Manual. With very specific lists the officers tend to 'slot people into boxes', applying a set of rules in order to reach a decision.

They work strictly to the priorities set by the manager, and the guidance. They consult each other on difficult cases. They see very few opportunities to exercise discretion in the system. It was difficult to draw out a discussion about making assessments--they both feel they put the rules into operation, as laid out in guidance and priority list. They don't see themselves making many discretionary decisions.

(Small town)
The SFOs were told in training that, as SFOs, they must make their own decisions about cases. In practice this is seen as impossible if uniformity is to be achieved and the budget controlled. The end result is 'an almost regulated scheme'-with guidance on items within priority categories. There was a mixed reaction from SFOs on this. Most welcomed it as a means of controlling budget-others found it too restrictive.

(Outer conurbations)

Very often an application does not fit neatly into any category defined by the priority list and the officer determines whether the merits of the case allow adjusting the priorities to fit. With sufficient `boxes' the scope for adjusting priorities, and with it the exercise of a weak order of discretion, may be minimal. However, in the majority of offices what officers term as discretion is the ability to move away from the letter of the priority list while paying heed to the spirit. Often this means moving an application up the list, seeking to offer a community care grant where a budgeting loan has been applied for, of perhaps suggesting a crisis loan for someone who is ineligible for a budgeting loan.

I don't stick to the priority list. For example, I gave a mentally ill person a grant for decorating to try and improve their depression-I paid it as high priority-decorating is normally low priority. I wouldn't give a single person a grant for a washer even though washers are high on the priority list. I would give one to a family under stress although family under stress is low priority.

(SFO, City urban; Outer conurbation)

The boss has listed priorities but I don't see it in priority order. I use the priorities like a guide. Under the old CCG priorities, most pensioners come in category 6 (medium) but we used to raise it. The previous boss was not happy at us raising priorities. The new boss has given us more of a breathing space.

(SFO, Small town)

In operating this limited form of discretion most officers are very sensitive to the possibility that their decisions will be clouded by prejudice and, as when defining need, tend to rely heavily on discussion with peers especially where the case is an unusual one.

We are making a moral judgement and we have to debate it. You are looking for those who deserve it. If people are not sure they ask you. Often a full scale argument... it's very difficult.

(SFO, Outer conurbation)

When the office priorities are less specific, officers are theoretically in a position to take decisions which are more strongly discretionary and have greater scope to determine their own criteria. Not all officers appreciate having to make discretionary decisions. It was clear that some officers rely on their own rules of thumb to help them simplify complex decisions. Many remarked on the satisfaction to be derived from being able to help someone, but equally many disliked `having to say no'.

The strength of the discretion available to officers is affected by the level of `cut-off or payment lines which are frequently drawn across the office priority list (Chapter 3). In offices where all kinds of need are being met, and in offices where all but those of the very highest priority are being refused, the discretionary component of decision making is largely removed. The greatest scope for discretion is in those offices where real choices have to be made between applicants with outwardly similar levels of need.

There is often more scope for discretion in decisions about community care grants than there is for budgeting loans. This is partly because budgeting loan requests are commonly for household items which are specifically mentioned in priority lists. When the priorities for loans take account of client groups as well as items it is often fairly clear whether or not an award should be made. With community care grants, on the other hand, officers have also to think about wider circumstances and very often offices have simply incorporated the appropriate paragraphs from the Social Fund Manual into the office priorities. Certainly many of the reported difficulties of interpretation related to this part of the scheme and caused officers to turn to the guidance Manual for help.

The impact of the budget

Payment lines are added to the priority lists as an explicit reaction to the balance between the demand and the state of the budget. Social fund officers often play a part in determining where the lines should be drawn, but decisions about individual awards are usually distanced in time and place from decisions about priority lines. Officers typically decide cases with reference to the priority categories and take no direct account of the budget. This situation pertains in many offices even where the budget is under considerable pressure: officers generally turn individual applications down because they are of insufficient priority not directly because of the state of the budget.

Nevertheless the budget may, in certain circumstances, have a direct as well as an indirect effect on the outcome of individual decisions and, perhaps especially, on the size of the awards. First, in some cases the budget may alway be `in the back of the mind' when officers take decisions. Requests for very large awards may be set consciously against the size of the budget. Officers spoke of the need to spread the available resources as widely as possible.

We don't turn many down. We place a lot of emphasis on trying to ensure enough money for all. We're here to see needs are met, not provide best clothes going.

(SFO, Outer conurbation)
You've got to find a balance as to how to justify things-how fair you are being. Everyone was asking for cookers so we got them to get quotations for repairs. You have to be as fair as you can with people to spread it as wide as possible.

(SFO, Outer conurbation)

Secondly, officers were concerned about the possibility of establishing precedents which might lead to substantial pressures on the budget. A number referred to their training courses and to the emphasis given to being able to sustain payments throughout the year. Others were mindful of the possible consequences for other types of application if expenditure crept over budget later in the year.

I look at client priorities. I look at exactly what they are applying for-I'm interested in the priority. Then there is the budget--a big factor. What sticks in my mind from the training is 'sustaining a payment'. If I can pay one in March, can I pay it in April?

(SFO, Small town)

Thirdly, the budget was accorded special significance in some offices. Sometimes this was related to budgetary pressure, particularly in offices where the pressure was new and unexpected. Newly appointed officers may also pay unusual attention to the budget.

Sensitivity to the state of the budget was greatest towards the end of each monthly cycle and towards the end of the year. Officers talked of having 'to shuffle and sort claims' at the end of the financial year approached, and it was common practice for the processing of some applications, particularly those of lower priority, to be held over to the beginning of the next month, although this was seen to have a detrimental effect on clearance times.

Directions and guidance

Social fund officers are bound by the Secretary of State's Directions. In reaching decisions they also take account of the associated guidance assembled in the Social Fund Manual. The extent to which officers rely on the Manual is variable and affected by a number of considerations. In some offices priority lists are generally internalised and used primarily to determine whether an application is excluded. If not the office priority lists are generally applied first and reference made to the Manual only when a decision proves to be difficult. In practical day-to-day decision making the Manual, like the budget, generally operates through the priorities.

4.3 Consistency, consensus and discretion

A distinction has been made between the tasks of identifying and establishing need in the context of the social fund and those of deciding how need should be met. In reality, defining and meeting need often come together simultaneously in social fund officers' minds. Constraints which limit the options for meeting need, are equally relevant to the definition of need.

An important constraint on the application of 'unfettered discretion' is the desire for consistency in decision-making. The existence of local budgets may highlight the importance of consistency in a way that earlier
The consistent application of local priorities is one mechanism for facilitating budgetary control. In many offices, particularly the larger ones, the higher executive officer (HEO) chairs regular meetings of the social fund team at which the interpretation and implementation of local priorities are frequently discussed.

The agendas at such meetings are informed both by the control checks carried out by the HEO and by difficulties encountered by social fund officers. In the early days of the scheme the discussion at these meetings was heated, and sometimes acrimonious, as officers argued for their interpretations of the priorities and guidance. Among the topics frequently debated were the meaning of ‘exceptional pressure’, the definition of ‘chronic sickness, being at risk’, a ‘crisis’ and ‘stress’ and the practical interpretation of the ‘prevention of entry into residential care’. Apparently less difficult topics also caused dispute. When, if at all, is a refrigerator essential? When is a carpet a luxury and when a necessity? How large should the family be before you countenance the purchase of a washing machine? Is a bed more important than a chair?

We are always looking for some balance between the individual SFOs and their different personalities. Some treat the money as if it is their own. (HEO, Medium sized town)

The office used to arrive at decisions on a consensus basis—this was extraordinarily draining emotionally and caused a big problem. They felt it took away the SFOs right of individual discretion. Now they try to respect each other’s gut feelings. (Inner conurbation)

In most offices these discussions continue although at a less stressful level. A few offices have achieved consensus within the social fund section; irrespective of individual views officers are expected to follow the majority interpretation. Elsewhere, the officers have refused to have their discretion ‘fettered’ in this way and the discussions are seen as a means of bringing people broadly into line.

Now we fire questions at each other and as answers are given the pictures often become blacker and whiter. It ends up as a cross between a consensus view and what the individual SFO gets out of the discussion. (SFO, Inner conurbation)

The concern to ensure consistency is not solely a management preoccupation and the push for regular section meetings often comes from the social fund officers themselves. They are frequently concerned that bias might affect their own decisions and are fearful and resentful when they believe other officers are making rogue decisions. Many officers are aware of the detrimental effects of inconsistency on the interests of applicants.

Team working arises naturally as staff seek to share the burden of difficult decisions through the process of peer-aided judgement. Social fund officers often feel that they know how their colleagues would react and how their own decisions might differ. Reasonably consistent decisions are frequently seen as a mark of professionalism reinforced, sometimes, by an awareness of the problems which might be generated if consistency was not maintained.

Difficult cases are usually discussed. The ultimate aim is to help consistency because if not the CAB rings up and starts hassling. (SFO, City urban)

But consistency is not always attainable. Inconsistency may be introduced when payment lines are altered during the year. Equally importantly, it is recognised in many offices that some staff are more lenient than others and that certain officers will look more favourably on particular kinds of application. Sometimes there is little discussion about individual cases and this may partly be an attempt to avoid argument.

D is looking for ways to refuse. The others are looking for ways to pay. (HEO, City urban)

Luckily most of the guys tend to have the same thoughts so they are not that different. Most abide by the priorities but some are more lenient than others. They take heed of what I think when I go out. (Administrative officer, (SF), Small town)

Consistency is theoretically incompatible with pure discretion. In the administration of the social fund, management and staff alike generally give priority to trying to ensure consistency.

4.4 Conclusions

This chapter has examined the ways in which social fund officers reach decisions. The social fund devolves responsibility for confronting some of the most difficult and contentious issues in modern society to officers at relatively low grades in the social security administration. The decisions are often complex and difficult, require patience and experience, and can sometimes be emotionally harrowing.
In presenting the material it has been necessary to underplay the difficulty and complexity of the decisions with which social fund officers grapple. The first section described how officers seek to establish need, the second the ways in which officers decide how to respond. In reality officers tend to tackle both problems simultaneously.

Many authors have contrasted the discretionary decisions of social fund officers with the non-discretionary decisions made by staff operating the single payments system which the social fund replaced (Bradshaw, 1987; Mullen, 1989; Stewart et al., 1989; Walker and Lawton, 1989). In practice, few social fund officers have 'unfettered discretion'. Rather they operate stronger or weaker forms of discretion reflecting the extent to which their choices, and the standards which they apply in making choices, are constrained by influences such as those indicated in Figure 4.1. Indeed, it may be that 'pure' discretion is no more than an ideal type which, in practice, is unattainable in any system. Certainly a tension exists between pure discretion and consistency of decision making and priority is generally given to consistency in the operation of the social fund. However, complete consistency, like pure discretion, may not be achievable in practice.
5. Social fund reviews

Although the social fund is not covered by the normal system of social security appeal tribunals there are a number of ways in which applicants can challenge decisions through a review process. Applicants have a right to a review by a social fund officer if they are dissatisfied with the initial decision provided that they apply in writing within 28 days' giving reasons for wanting a review. If the SFO does not feel able to change the decision wholly in the applicant's favour on receipt of the review request, an interview is held in which the SFO explains the reasons for his or her decision and allows the applicant to put his or her case. After the interview the SFO will decide the case wholly in the applicant's favour or refer the case to the social fund HEO for further consideration. For convenience, this latter stage is termed an HEO review to distinguish it from the earlier SFO review.

If the applicant is dissatisfied with the outcome of the local office review he or she can seek a further review by a social fund inspector (SFI) appointed by the Social Fund Commissioner. The SFI has the power to confirm the original decision, refer the matter back to the HEO for reconsideration or make a decision on the case him or herself. Photocopies of all the relevant papers are sent to the applicant by the Office of Social Fund Inspectors (OSFI). Applicants may, if they wish, comment on them and supply any new evidence, and return them to the OSFI. Most decisions are made on the basis of these papers. Although the applicant has no right to an oral hearing, an inspector may decide to interview him or her. The applicant is sent a detailed explanation of the SFI's decision and has a right of a further review by a social fund inspector. The social fund review system is the subject of a major study by Dalley and Berthoud (1992). Here we do not attempt to evaluate the system comprehensively, but limit our attention to those aspects which impact on the more general work of social fund sections.

In discussions, local office staff were asked to comment on how often the review procedures were used, and for what kind of cases. Below we consider officers' comments on the amount, and type of review work in which they had been engaged and explore some of their general attitudes to this aspect of social fund administration.

5.1 Level of review activity

From discussions with local office staff it appeared that the extent of review activity varied enormously between offices. Estimates of the number of SFO reviews conducted monthly varied from one or two to almost a hundred, although the figures may reflect the pressure generated by reviews rather than actual statistical counts. There was a similar degree of variation in the number of HEO reviews and while some offices were reported to be forwarding up to twenty reviews a month to the SFI, other offices had no dealings with the inspectors.

One general conclusion, confirmed by most of the advisory agencies visited, was that there were far fewer requests for reviews than there had been for appeals under the single payment system. Advice agencies often put this down to the fact that their clients did not know about the review system; did not think that it was worth trying; or did not perceive the system as independent of the DSS. Few agencies had dealings with people at the point of initial application to the social fund and, even when applications were turned down, not many people approached advice agencies. However, some agencies themselves had little faith in the value of the review procedures while a few of the social workers interviewed seemed unaware that any system of redress existed.

Some, but by no means all, of the variation in the number of reviews might be explained by differences in office size and in the number of social fund applications. In offices where reviews were rare this was commonly put down to the fact that most applications were successful and only applications in excluded categories were refused. In contrast, offices processing large numbers of reviews were typically paying only high priority applications. In addition, local office staff often reported increases in reviews in periods following tightening of priorities.

There were exceptions. In one mining area staff reported a tradition of appeals which in the past has been initiated
and supported by the National Union of Mineworkers (NUM). Although the NUM no longer played a major role, individuals traditionally sought redress whenever decisions went against them. In another area a welfare rights organisation reported that they had supported hundreds of reviews with a considerable measure of success. A few local offices reported that the number of reviews was steadily increasing, perhaps because people were gradually getting to understand the system better.

It is possible that some variation in the number of reported reviews reflects different administrative practices. Offices differ in what they record as a review and in how they treat situations where a review request is withdrawn. Some offices review all cases where the applicant makes some representation while others take a more rigid approach and expect the applicant clearly to spell out the grounds for dissatisfaction.

Although refusals are 40-50 per cent. we don't get that many reviews. When we do, they often don't give grounds for review requests unless they're backed up by social services.

(SFO, Inner conurbation)

Applicants who were unaware that review requests needed to be in writing often called at the local office and were seen either by a receptionist or by someone from the social fund section. At this point there were differences in the encouragement offered to people to progress to a formal review. SFOs and managers differed in the importance which they attached to the review process and in their views of its effectiveness.

Variations in the level of demand for reviews may be related to differences in administrative practice. Offices under less pressure may be more thorough in seeking out additional information ahead of initial decisions or in explaining to applicants the reasons for these decisions. Fewer reviews may be generated as a result.

Some offices experienced problems in recruiting and retaining staff and these social fund sections had fewer experienced personnel. This may in turn have increased the number of reviews.

New and inexperienced officers probably generate more reviews. Otherwise, there are no particular trends between individual SFOs, or in types of case.

(HEO (SF). Medium sized town)

Some officers believed that the number of reviews was also partly a function of the attitudes and initial decisions of individual SFOs. For example, it was quite commonly argued that more lenient officers generated fewer reviews.

The number of reviews (say five one week, more the next) varies according to hardness of the officer ... I'm lenient and I don't get many.

(SFO, City urban)

Different officers generate slightly different numbers of reviews. This reflects how good they are at using their imagination, and seeing possibilities.

(HEO (SF), Inner conurbation)

5.2 The reasons for reviews

Social fund officers in the 39 study offices were unable to detect clear patterns among cases going to review. Nevertheless, a number of features did recur.

First, there was a general belief that no two review cases were the same: 'the only thing in common is dissatisfaction'. However, a number of officers drew attention to the numbers of lone parents requesting reviews and the almost total absence of pensioners. Reviews requests from people asking for excluded items or from people in excluded client groups were also commonly mentioned, and seen to generate unnecessary work for local offices.

Another common perception was that more reviews occurred in the weeks before Christmas, because of the much greater need for money at that time. Tightening-up of office priorities in response to increased spending also tended to lead to increases in review rates.

Staff reported that refusals made on the grounds of insufficient priority were the most likely to be challenged. It was frequently suggested that applicants naturally made comparisons between their experiences and those of neighbours, relatives and friends. When they see other people receiving awards in what are apparently identical circumstances they are often stimulated to appeal.

Reviews of decisions on CCG applications often revolved around the interpretation of Direction 4, notably the meaning of ‘exceptional pressure’ and the assessment of ‘risk’ in connection with entering institutional or residential care. The appropriateness and size of start-up grants, particularly for lone parents in bed and breakfast accommodation or refuges, was another issue raised in review as was, in one unusual local circumstance, the priority given to assisting refugees.

5.3 The outcome of reviews

Review outcomes directly affect applicants because initial decisions may be confirmed or altered. But they may also have indirect effects, where changes in administrative practice result from review decisions.

Applicant outcomes

SFO reviews Officers and offices differed markedly in their assessments of the outcomes of SFO reviews. While it was generally agreed that the initial decisions
were for the most part upheld, estimates of the number of decisions which were altered ranged from five to 50 per cent.

Officers who believed that very few decisions were reversed argued that cases were always considered very thoroughly in the first instance and that consequently there was ‘very rarely anything a claimant could add to alter the decision’. Other officers felt that the review procedure provided a useful opportunity to gather new information and frequently resulted in the officer making a partial or even a full award. Sometimes markedly different views were held by SFOs in the same office:

Officer 1
I guess I overturn 30-40 per cent at review because you learn something new-something they didn’t think you needed to know. When you meet them face to face it has no relationship to what is on paper. It’s a bit unfair on people who don’t ask for a review. People feel the decision is wrong. They want the money. They don’t see why they shouldn’t have it when others do.

Officer 2
I rarely change a decision since I will have already considered the case carefully. It’s an opportunity to explain and get additional information but I sometimes wonder what applicants think.

Almost all SFOs treated review interviews very seriously. In preparing a case they might take into account circumstances described in the applicant’s request for review or find additional information in the income support case-papers. On occasion they would also seek supportive evidence from social workers and other professionals. Many officers disliked review interviews and actively sought out information which could enable them to alter decisions and hence avoid the need for interviews. Changes to decisions were sometimes made ahead of an interview. Sometimes offering a crisis loan when a budgeting loan or CCG had been refused meant that a review request would be withdrawn. Interviews to review decisions based on grounds of insufficient priority were particularly disliked and some officers reported difficult experiences in interviews when applicants were accompanied by rights workers and the interviews became confrontational.

Interviews sometimes produced new information which led to changed decisions. Indeed, they were often considered to be an essential part of the process since the letters received from applicants requesting reviews rarely contained sufficient information to lead to reversal of the initial decisions. Officers argued that different kinds of information came to light in interviews as a result of the opportunity to probe. Some went further and suggested that this supported the case for more home visiting and for better designed application forms.

Reviews are good because you get more information from applicants when you see them face to face. Also you can explain nil decisions and they are often very understanding. You never get the full story with a postal enquiry.

(HEO (SF), City urban)

HEO reviews  Far fewer decisions appeared to be overturned at the second stage when they are referred to the social fund HEO. There are a number of possible reasons for this. First, cases had already been examined thoroughly by the SFO. Secondly, the HEO may already have been involved in the SFO review especially where the case raised particularly difficult issues. Thirdly, some HEOs believed that overturning reviews was bad for staff morale and that it was somehow inconsistent with the notion of ‘unfettered discretion’. Often HEOs chose to speak informally to staff rather than insist on changes. Sometimes they upheld initial decisions but later discussed the issues it raised at one of the regular section meetings. Very occasionally HEOs questioned their own ability and doubted whether they had the training, expertise and experience to overrule the judgements of their SFOs.

This is not to say that decisions were never reversed at the HEO review. HEOs did detect errors and returned cases that were poorly documented. One noted a tendency among his SFOs not to look for underlying eligibility to budgeting or crisis loans in CCG applications and to be ‘less than creative’ in interpreting of Direction 4. Another remarked that if there was sufficient money, the role of the HEO could be crucial, but since so many decisions were constrained by the effect of the budget on local priorities the HEO merely served as a rubber stamp.

The social fluid inspectors  There were striking differences between local offices both in the number of reviews referred to the inspectors and in the proportion being overturned or returned for reconsideration. In general, few cases were actually overturned by the inspectors although in one office this had occurred in a third of cases; more typical were offices where ten to twenty per cent of decisions were changed. Rather more offices had had all or a very large proportion of cases returned for redetermination; some, but by no means all, of these offices were under considerable budgetary pressure.

At the time of the study, the kinds of issues cited as having been raised by the inspectors included the use by local offices of price lists and fixed lists of items to be included in start-up grants; taking account of the cause of need as well as its extent and urgency; the failure to undertake visits to establish need; the refusal of items valued at under £30; the failure to assess every case for each type of social fund award; operating strict priority lists while underspending on budget; and the operation of an informal second review on the receipt of information provided by the applicant and destined for the social fund inspectors.
administrative changes

The review system was recognised by local office staff to have both general and specific effects upon the administration of the social fund. First, as one HEO remarked, inspectors' decisions 'make staff sit up'. Another said that it made staff take greater care with their initial decisions. One social fund officer talked of the inspectors sitting on his shoulder whenever he made decisions and several others remarked on the need to be able to justify every decision to the inspectors.

I sometimes think 'If this application was refused and went to the SF1, what would the SFI's view be?'

(Administrative office (SF), City urban)

Secondly, social fund HEOs pointed to the influence of the inspectors on their behaviour. Some noted that negative SF1 comments had caused them to become much more closely involved in the review process. Another reported that whereas in the past he had always upheld the decisions of his social fund officers, after three cases sent to the inspectors had been overturned he now looked much more carefully at the initial decisions.

Thirdly, inspectors' decisions were often discussed in detail by social fund officers among themselves. Office procedures and actions of individual officers often seem to be influenced by SFIs even when staff disagreed with their findings.

The internal review system possibly has a similar impact although this was rarely articulated by local office staff. More in evidence was the way in which the internal review process may sometimes be used as an administrative safety valve in the sense that it enables officers to be less thorough in gathering information for their initial decisions and helps them to manage the demands on a restricted budget.

The officer (SFO) discussed a case where, because over half of the benefit was already taken up by various compulsory deductions, she had refused a loan for a child's bed. The decision had been taken without an interview and she expected the person 'to be back', when she might have no option but to extend repayment beyond 78 weeks.

(City urban)

5.4 Reactions to the review procedures

This section concentrates on the attitudes of local office staff to the review procedures and some reference is made to the views of advice agencies contacted during the fieldwork.

Local office views

Staff generally recognised the need for some mechanism for redressing applicants' grievances, but many were aware that applicants did not see the review process as being either independent or fair.

Pressure of review work

The review system inevitably generates considerable extra work for staff. SFOs talked of spending a half day or more checking and preparing for an interview and even more preparing a 'watertight case' to go to the inspectors. The paper work was considered straightforward but tedious, although several officers referred to the lack of guidance for preparing cases for the inspectors. As already noted the interviews not only took a lot of time, which had knock-on effects on other work, but also were often stressful in themselves.

The review process is a real bugbear and very time-consuming. Interviews take 20-30 minutes and tons of paperwork are generated.

(SFO, Outer conurbation)

Cases were reported, in some circumstances, to take eight to twelve weeks before being passed to the inspectors. As discussed below, cases returned by the inspectors for redetermination further increased the pressure on staff, pressure that was particularly resented when officers felt that they could not change an initial decision because of budgetary constraints.

The social fund inspectors

A few officers believed that the decisions returned by the inspectors were 'generally fair'. They sometimes provided 'a new outlook' on the case. However, more often than not officers at all levels reported anger and frustration at SF1 decisions which strongly influenced their view of the entire review system:

They have a very difficult job. But some of their comments make me literally speechless. They get people's backs up. We're all supposed to be working in the same direction. I sometimes think 'you sit up there, you should come down'. In their world everything is perfect. Here we have to deal with the real world.

(HEO (SF), Medium sized town)

A number of factors contributed to the strength of feeling against the review system. Some reflected the difficulties of marrying a review structure with a system based on discretionary decisions, constrained by budgetary considerations. Others had to do with particular procedures and the way that they were currently implemented.

Structural considerations

A common concern to local office staff was that the inspectors appeared to them to serve merely to substitute the discretionary decisions of social fund officers with their own discretionary decisions. Social fund officers found it difficult to understand how a decision, being both a judgement and discretionary, could be determined to be wrong. They frequently complained that the inspectors treated their decisions simply as the expression of personal opinions. Not only did the social fund inspectors disagree with the opinions but they had the power to overturn the
We turn most people down because we're in danger of overspending the budget. Letters sent from the SFI to applicants make SFOs look stupid, as though they didn't do their job properly. (SFO, Inner conurbation)

Finally, many officers were aggrieved by what they saw to be a failure of the inspectors to appreciate the volume of work which they had to process and the limitations that this inevitably imposed on the detailed investigative work which they were able to undertake.

They also felt that the social fund inspectors failed to appreciate the local knowledge and experience that informed the decisions of social fund officers.

Three confirmed and one returned. The latter was a definition of `family'. It was to provide support for a male separated from his family, to decorate his caravan for his children to visit at weekends. The SFI overturned a refusal and a payment was made. SFOs reported that the claimant had disappeared from the area the following week. The SFI can't have access to the kind of intuitive awareness which the SFOs have—whether based on knowledge of claimant, or a general impression gained from communication.

(Small town)

Procedures  The impact of these structural factors on local attitudes was exacerbated by specific procedures. Most importantly, inspectors' decisions went straight to the applicants and were often drafted in ways that seemed to subject the individual officer to personal criticism. This served to humiliate the individual officer and on rare occasions, even to expose them to the risk of physical abuse. It undermined staff morale and reflected badly on the local office.

I don't like the inference on SFI letters to applicants that SFOs haven't been thorough—sometimes we try more than once to get people in for review interview and they don't turn up. The SFI doesn't recognise the problems or the effort we put in. They also are not working under pressure like we are.

(HEO (SF), City urban)

Requests by inspectors to redetermine cases also led applicants to expect that they would now be entitled to an award when, in many cases, local officers felt forced by budgetary considerations (among others) to uphold the initial decision. On occasion this resulted in most unpleasant confrontations between staff and applicants.

SFI want discretion on every single case. They write back to applicants and raise their expectations when they say they're asking us to look again at cases. We can't pay because we've no money.

(Manager, Outer conurbation)

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\[2\] In 199\OE 3 OSFI letters were redesigned in order to overcome some of the difficulties described in this section.
The letters sent to applicants conveying the results of the inspectors' deliberations came under criticism on other grounds. They were thought often to be unnecessarily 'convoluted', confusing and difficult both for social fund officers and applicants to understand. Some were said to be internally inconsistent and frequently there was no consistency between one decision and the next.

A few officers complained of exceptional delays in the processing of reviews by the inspectors. In one extreme case, a local office had been waiting six months for a response to what it considered to be a 'test case' affecting a series of decisions in similar circumstances.

The views of advice workers

The reactions of staff in advice and service agencies to the review procedures were diverse, varying both between types of organisation and between organisations with similar remits. One general reaction was that there were fewer social fund reviews than single payments appeals and that their own involvement in them was less frequent.

Most officers in social services departments said that they had little contact with the social fund at the stage of review. Partly this was because they tended to refer clients to organisations with specialist expertise. However, it was also the case that relatively few clients came to them for help with social fund problems. Some social workers had major reservations about the value and viability of the social fund, especially with regard to loans, and these reservations were sometimes reinforced by their own departmental policy. Certain social workers advised clients against approaching the social fund in the first instance, preferring to look elsewhere for assistance before considering a social fund loan. Some had only the vaguest idea of the review process and one did not know if existed. Quite often they took the view that the process was neither independent of the DSS, nor impartial.

Social workers generally referred clients to Citizens Advice Bureaux (CABx) or welfare rights workers whose experiences and opinions of social fund reviews also varied. Many CABx rarely saw social fund cases and had never taken part in the review process. Other CABx and specialist welfare rights organisations were more active. Mostly this was a matter of writing letters, telephoning the local office or much less frequently accompanying people to a review interview.

Some advice workers reported a great deal of success in reversing decisions or at least stimulating the offer of a loan when an initial request for a CCG had been unsuccessful. Some advised clients to seek a review whenever a refusal was on discretionary grounds, whereas others would only take a case which they believed they had a good chance of 'winning'. Often decisions were changed ahead of the interview: 'all it needs is a little chat'. Others reported little success in changing decisions and some felt that reviews were not worthwhile. One welfare rights agency, which regularly assisted people in reviews connected with budgeting loans and CCGs, chose not 'to do crisis loans since they need an instant solution' and the review process took too long. Some welfare rights workers admitted to finding discretionary decisions difficult to argue against as the following extract illustrates:

We always suggest people try for reviews unless it is very clear that the application is refused on eligibility or exclusion grounds. The usual reason for review is lack of priority—the welfare rights officer finds it hard to word an application letter of request. Usually she says that she doesn't feel that discretion has been properly exercised in the case.

(Senior welfare rights officer)

Advisers felt more confident that a decision would be changed if they were able to offer additional information to the SFO, and that the latter felt 'less threatened' in these circumstances.

Citizens Advice Bureaux and agencies with little experience of social fund review work tended to relate this to the reluctance of people to use a system which was not truly independent and to a reluctance to apply for loans. A number said that clients preferred the old appeals system and felt threatened by the social fund interviews.

There's a general nervousness among clients about seeing the DSS for reviews.

(Community mental health social worker)

A lot more advocacy work is done as a result of the social fund being very intimidating for clients to face the social fund alone.

(Women's refuge worker)

One probation officer felt that his clients were particularly unlikely to approach SFOs for a review as they 'were often fairly demoralised, distrustful of authority and lacking in confidence'. Staff at one welfare rights centre had responded to the situation by opening a secondhand furniture store and shifting the focus of the appeals work to medical appeal tribunals. A worker in a CAB which had a very close working relationship with the local DSS office explained that they had only been involved in one office review because they had 'never seen a case wrongly turned down'.

5.6 Conclusions

The subject of social fund reviews attracted diverse comments. In part this reflected the number of review cases which an office had experienced, but attitudes also varied according to how the reviews were dealt with. This chapter has considered local office, and agency views of the various parts of the review process and
the impact the system has had on local office social fund decisions. There was substantial variation in the estimated numbers of internal HEO and SFO reviews and in the number of cases going to the inspectors. This probably reflected differences in application rates and, perhaps, too, the success rate of initial claims. However, differences in the recorded level of reviews may reflect variations in local office practice—both in the way reviews were recorded and in the constraints that operated on the thoroughness and effectiveness of the initial decisions.

In general social fund officers prepared very carefully for review interviews seeing them as a vital mechanism for gaining new information from applicants. In some circumstances SFOs may have sought to avoid face to face interviews as they felt themselves exposed to criticism, often at a personal level, which they were unable to deflect. This was especially so if the original decision was influenced by budgetary constraints, however indirectly.

The HEO review process provoked less discussion. It was generally agreed that few decisions were altered at this stage and many HEOs felt that overriding the discretionary decisions of their staff was an action of last resort. The inspectors, as seen through local office eyes, had no such inhibitions about referring back decisions although the extent to which this happened appeared to vary markedly from office to office.

Inspectors' reviews were generally disliked intensely by local office staff at all levels, often appearing simply to superimpose one set of discretionary decisions on another. The inspectors were seen as being free of the local office constraints of budget and pressure of work and social fund staff frequently believed that inspectors' decisions would not be sustainable in a local office environment.

Advice workers similarly expressed reservations about the review system. In practice, few had had many dealings with the social fund inspectors, partly because it was believed applicants tended to accept the outcome of the local officer review, or were reluctant to persevere. The main problem was the discretionary nature of the scheme and the difficulty, therefore, of identifying the basis on which the initial decision was made so that it could be challenged. Some welfare rights workers were cynical about the inspectors. One remarked that, in their judgement, 'SFI decisions were as variable as SFOs'.

It is probable that the review system has an important impact on the quality of decision taking. Faced with a particularly contentious or difficult decision SFOs typically considered the likely reaction of the inspectors or the social fund HEO. Sometimes, officers also systematically used the inspectors as a way of testing interpretation of the guidance or regulations with a view to forming local policy guidelines. On the negative side, there was a risk that officers would use the SFO review as a mechanism to identify 'errors', or rectify omissions which they saw as an inevitable consequence of working under pressure. Less vocal or less well informed applicants would be penalised under such a system while the overall quality of decision making could fall.
Money advice

At the inception of the social fund, money advice was introduced as a ‘non-statutory function’ of SFOs. The intention was that SFOs would be specially trained to offer a general advice and counselling service on money management, and would be available to give individual service ‘similar to that carried out by special case officers’ (Cmd. 9691, 1985). Money advice was intended to be available to IS claimants ‘experiencing financial difficulties’ (Social Fund Manual 9004).

The Social Fund Manual identifies the broad objectives of money advice as assisting claimants to ‘balance income and expenditure’ and ‘cope better with their finances’, reflecting the emphasis on budgeting and income management in the objectives of the social fund. Guidance to social fund staff on identifying people likely to benefit from money advice suggests that advice may be appropriate first, where there is ‘evidence of severe and persistent financial problems’ and secondly, where a claimant is seen to be experiencing ‘exceptional difficulty in adjusting financially to a major change in their circumstances’ (Social Fund Manual 1912 and 9013).

Money advice cases may arise in a number of ways. The service may be offered when social fund loans are to be rescheduled at reduced repayment rates or over extended repayment periods; or it may be offered to any claimant who appears to be experiencing exceptional difficulties in budgeting. All applicants are offered, in the social fund application form (SF300), the opportunity to talk to a DSS officer about any existing debts they may have. Some claimants were expected to approach the local office for help with ‘debt problems’ and referrals were expected from other sections within the office and from voluntary or statutory advisory agencies.

This chapter examines the extent and the nature of money advice work actually carried out in local offices and explores some of the factors affecting the provision of this kind of service from the DSS.

6.1 Money advice in the local offices

Definitions of money advice

One problem in assessing the kind of money advice provided is that offices vary in the way that ‘money advice’ work is perceived and recorded. Discussions with SFOs revealed a lack of consensus within, and between, offices. In some cases, interviews for social fund loan rescheduling were formally recorded as ‘money advice’. Elsewhere money advice was taken to mean the general advice offered, mainly by reception staff, on benefit entitlement. In a small number of offices, ‘money advice’ referred solely to detailed debt counselling work, including prioritising debts and negotiating with creditors.

The amount of money advice carried out and recorded on the social fund micro-computer was originally intended to be used when calculating office staffing levels for the future. Many staff expressed concern that inconsistencies in defining and recording money advice may potentially result in inequities in staff complements’.

Referrals

In practice most cases of money advice had arisen in response to requests on application forms, or had been identified by social fund staff while assessing awards or rescheduling loans. A few claimants has written to the DSS and others called into reception requesting financial advice. None of the offices reported receiving referrals from outside agencies.

Few referrals came from other sections within the local office but occasional cases were passed to social fund officers from the income support section, visiting officers, or direct payments sections. Referrals from other sections tended to be greater in offices where a single social fund officer had taken full-time responsibility for developing this area of work. One social fund section had produced a fact sheet on money advice to promote awareness of the service among other local office staff.

All local office staff should be aware of the signs pointing to claimants with financial problems e.g. several debts which the claimants cannot clear. Cases should be referred to the SFO when there are difficulties which will take too much time for other staff to deal with or which make the claimant himself ask for help.

(SFO Factsheet. Outer conurbation)

Since the completion of the preliminary fieldwork, money advice has ceased to be used in complementing procedures.
It recommended that SFOs should consider offering money advice when ‘serious debt problems become known to local staff’, or where there were ‘a high level of commitments or very high deductions for current fuel consumption’.

**Th e nature and extent of money advice**

Problems of assessing the extent of money advice are compounded by the lack of a common definition as discussed above. However, in the vast majority of offices, social fund staff and local managers reported low levels of money advice work, excluding loan rescheduling interviews. Officers typically reported that they had dealt with two or three money advice cases since the introduction of the scheme. Several said that there had been less money advice than had been suggested at the social fund training course or implied at the inception of the scheme. The most common reason suggested was that the public had, in practice, shown very little interest in the service. Few applicants had requested money advice and some failed to respond to subsequent correspondence from social fund staff proposing an interview or visit.

Many officers felt they had insufficient time to provide effective money advice to claimants. Dealing thoroughly with applicants’ financial circumstances could involve debt counselling which could take several months when cases involved extensive liaison with creditors and regular interviews with clients. Faced with pressures to meet clearance times in day-to-day application processing, many saw the service as an ‘incidental’ role.

We just respond to requests for money advice that comes from the SF300. It is used infrequently—possibly just one interview a month and SFOs try and clear each case in one interview so there’s nothing outstanding at the end of the month.

(HEO. City rural)

The kind of advice given depended on the commitment and interests of individual officers. Some, keen to offer money advice services, had developed their own practice of rationing their time. In one office, the SFO responsible for offering money advice dealt with a maximum of six cases at any one time. In another, the two social fund officers each had a maximum of two ongoing cases. Some managers regarded the time spent on money advice as having a useful impact on increasing staff complements for the coming year and as a result supported money advice as a ‘good staff earner’. Elsewhere it was seen as ‘too time consuming’, ‘not worthwhile’ and secondary to meeting clearance times.

Many SFOs lacked confidence and felt ill-equipped to tackle money advice work. With hindsight, staff generally believed that this component of their training had been inadequate. In several offices, claimants seeking financial advice, particularly with complex debt problems, were referred to more experienced debt counselling agencies.

The training was felt to be very limited—SFO has to try work from his own experience—has personally never had a financial loan and finds it is difficult to understand how popular loans are. He feels anxious about his own capacity to do good money advice and refers difficult cases to CAB.

(SFO, Small town)

Some of the advice agencies consulted reinforced this view reporting that on occasions clients had been referred to them by the DSS for advice. Few agencies, however, were aware of or commented on the DSS’s own advice work. Those that did were indifferent or critical believing that the service was inadequate and that claimants did not get the back-up and support they needed. Relations between clients and social security staff were generally believed to be poor, and most advisers simply felt that the notion of social security staff offering advice on debts was inappropriate. In contrast to the DSS experience, the level of debt counselling work within agencies had escalated over recent years and staff invariably spoke of the noticeable increase in multiple debts. Citizens Advice Bureaux had diverted considerable resources to respond to demands for debt counselling work.

### 6.2 Providing a money advice service

**Staff organisation**

The level of advice provided in local offices was largely dependent on the way responsibility had been allocated among staff for dealing with queries and promoting the service.

In the majority of offices, SFOs took individual responsibility for responding to requests for money advice. In a few, requests were referred directly to a visiting officer. Elsewhere particular SFOs, often with previous experience as special case officers, had designated responsibility for this area of work, either on a part-time or full-time basis. Where money advice had been allocated to a single ‘specialist’ officer, the caseload and the number of referrals within the office tended to be greater. The number of cases varied: 200 cases in ten months; six on-going cases at any one time, ‘20 cases since the beginning of February 1990’.

There was widespread support for the idea of having a money advice ‘specialist’ either within the social fund section, or elsewhere in the local office. Such officers had time to develop a level of expertise and get to know claimants.

When one officer is doing money advice statistics, records are kept more in control. The SFO concerned has more time to spend on the individual and their case. Better relationships can be achieved with a client if one person can be involved in visiting at home when a client is unable to attend office
interviews. Relationships can also be built up with credit companies, solicitors, citizens advice bureaux and other outside bodies.

(Money Advice Report, Medium sized town)

While these benefits were readily acknowledged, increased demand had quickly led to problems of resources. No offices had managed to retain a full-time advice worker but instead officers had reorganised their workloads with each SFO assuming some responsibility for money advice cases. Staff reported that this invariably led to a reduction in the amount of money advice being carried out.

At first we had a full time SFO doing this and achieved some good results-we couldn't maintain this-with pressures on work. It's badly needed because of deferred payments, and loan rescheduling is very complex and claimants need help.

(HFO, Medium sized town)

Rescheduling social fund loans

Personal money advice interviews were most frequently held when an applicant was offered a loan at a time when existing loans were currently being repaid, or when the applicant had reached the maximum loan allowance. A loan rescheduling interview might be held in order to negotiate suitable repayment terms with the applicant. In some circumstances, the loans were 'rescheduled', weekly rates being adjusted to complete repayment within a specified time, usually 78 weeks at the most, or 104 weeks in exceptional circumstances. Offices recording these loan rescheduling interviews as 'money advice' appeared officially to have high money advice activity.

Interviews involved assessment of the client's income and expenditure together with any current social fund loans. Applicants were encouraged to reveal any existing debts, arrears or credit arrangements currently paid out of their income. The social fund officer then calculated an appropriate weekly rate for repayment and the claimant decided whether to accept the terms.

The scope for offering additional advice on money management in these interviews was felt to be quite limited. There was a widespread belief that clients were wary about revealing the extent of their indebtedness in case their access to current and subsequent loans was affected. SFOs reported that claimants were reluctant to talk about their financial problems. They tended to accept the repayment rates offered and avoid any discussions about the implications of living on reduced income.

If they feel their claim is going to be disallowed they are very reluctant to give you details of their financial affairs.

(SFO, Medium sized town)

Debt counselling

in a small number of offices SFOs carried out more extensive debt counselling work with claimants and reported a measure of success. These cases could last for several months but SFOs who had assisted claimants with debt problems said they found this area of work satisfying and generally felt they had achieved some success in addressing financial difficulties. They stressed the importance of building good relationships with clients in order to make their work effective.

Interviews start with a chat. The SFO prompts for information on rates, water rates, fuel bills etc. Usually people have mail order and loan firm bills as well. SFO then asks what bothers the claimant the most.

(SFO, Outer conurbation)

You need to visit to give proper money advice and it takes a few visits to get to the bottom of it (clients' circumstances)-nobody is going to tell you about their debts straight off.

(SFO, Medium sized town)

Typically, their debt counselling involved calculating the total income and assessing outgoings with a view to improving money management and prioritising outstanding debts. SFO involvement varied from offering guidance on personal budget management to more extensive dealing with creditors in reducing repayment rates and deferring repayment dates. A number had developed good relations with local credit firms. They believed that creditors were more willing to negotiate repayments with DSS officers than with the clients themselves. None of the SFOs consulted had been involved in supporting or representing clients at court hearings.

SFOs regretted that there was little scope in their work for offering more informal advice on finances and benefit entitlement. Some said that this kind of service was available through reception but was subject to counter staff having both the time and depth of knowledge to deal with claimants' queries. Several officers regretted that the introduction of postal systems and the reduction in the number of visiting officers had led to a decrease in provision of informal advice on benefit entitlement.

6.3 Attitudes to money advice

Some SFOs saw money advice work as a challenging and enjoyable part of their work. Several would have liked to do more advice work if they had more time and training. They felt that many claimants, people new to income support, or taking their first housing tenancy, needed help in budgeting. Others saw money advice as an essential service for people offered DSS loans. Many felt unable to comment since their involvement in this area of work had been so low. For some this was tinged with regret as they had been enthusiastic about this aspect of the job.
Several expressed concern that public expectations about the DSS service was too high. They said that claimants tended to go to the DSS in response to the offer of money advice on their SF300, `expecting all their problems to be sorted out'. One SFO stressed the importance of stating early in their first money advice interview that their role is `to ease the situation-not offer a solution'. A number commented that claimants `lost interest' once they realised that there were no additional benefits or loans available.

Money advice is wrongly interpreted by the public and gives them the false impression that someone is actually going to give them money. The title should be changed to `credit counsellor'.

(SFO, Outer conurbation)

Others felt embarrassed by the role of money adviser. They believed that the public felt `patronised' and `insulted' by their offers of money advice.

Advice can be useful in some situations, but sometimes feel(s) awkward and a `bit pious' because it's bound to be difficult for people to manage on a very low income.

(Visiting Officer, Small town)

There was widespread feeling that provision of a DSS money advice service was inappropriate since the public are unwilling to present their financial problems to social security officers. Where budget pressures had led to high refusal rates for social fund loans, the likelihood of claimants approaching the DSS for advice was further reduced.

... when claims are disallowed very few clients will take on board money advice as it gets their backs up against the Department for refusing needs in their application.

(SFO, Small town)

Some local office staff were sceptical about the reason for introducing money advice with the social fund. They saw it as a device incorporated into the legislation to overcome the difficulties of offering loans to people on benefit-as a `political injection to make the social fund more palatable'. Others were concerned that insufficient resources, in terms of staff time, training and support, had been made available to make money advice a viable service.

The Department appears to be concerned and willing to make a commitment about the debt problems of clients but does not seem to give the necessary time to the duties in order for them to be carried out satisfactorily.

(SFO, Small town)

6.4 Conclusions

The introduction of social fund loans represented a change from non-recoverable single payments to a form of interest free `social credit' available to people on low income (Walker and Parker, 1988). The provision of a money advice service, intended to help those with `severe and persistent financial problems', complements the social fund's emphasis on personal money management.

In practice, the amount of money advice work was low with detailed debt counselling work carried out in a relatively small number of offices. This was in part attributable to a failure to commit adequate staff resources to this area of work. For local office staff, a tension exists between providing an effective money advice service to claimants, and the many other duties involved in administering the social fund. The lack of public interest in the service is also an important factor. Local office staff and outside advisers alike firmly believed that claimants were unwilling to discuss personal financial problems with social fund staff. Similarly, local officers and advisers stressed the incompatibility of SFOs acting simultaneously as adjudication officers and money advisers.

In most cases, money advice was restricted to discussions of loan repayment terms with those claimants in receipt of several loans. The notion of money advice as a major feature of the work of social fund sections, and as a service readily available to claimants experiencing difficulties in managing their income, had not materialised. Rather than providing specialist money advice services, the impact of transferring the duties of special case officers to officers engaged in day-to-day adjudication had been a reduction in the amount of general financial and benefit advice available to claimants.
7. Perceptions of the social fund

This report so far has described how local offices responded to the tasks involved in operating the social fund. It has considered how various components of the scheme are run: processing applications and managing the budget; dealing with reviews; money advice services; and the various aspects of making decisions. It has described both through text and direct quotations how staff have responded to each particular component involved in working the social fund. This penultimate chapter examines how staff perceived the scheme in more general terms. During the course of the research, officers, at all levels, were asked how well they thought the scheme was working. They were asked in quite broad terms about the strengths and weaknesses of the scheme both from a local office staff point of view, and for applicants using the scheme.

The chapter reports on views on the broad structure of the scheme. It looks in brief at some of the administrative difficulties reported by staff, and particularly those which were felt to be a barrier to the scheme meeting its objectives. Finally it reports some of the views expressed by agencies, both on the structure of the scheme, and on their experience as advisers dealing with social fund and benefit enquiries.

7.1 The structure of the social fund

Often staff responded to a question on the strengths and weaknesses of the scheme by spontaneously comparing the social fund with the system of single payments that preceded it. Where this was not the case staff were specifically requested to make such comparisons. Responses tended to be of two main kinds: those relating to the structure of the scheme and those linked to assumptions about the reasons for its introduction. Opinions varied considerably between staff in different offices, but differences by grade of staff were not marked.

Before discussing officers’ evaluations of the social fund it is appropriate to convey an impression of their responses overall. Figure 7.1 below shows the kinds of issues raised by staff as ‘positive’ and ‘negative’ features of the scheme and seeks to indicate the salience of each issue gauged by the number of offices in which it was raised. However, great care must be taken in interpreting this diagram. Although the 39 DSS local offices visited constitute a representative sample of offices, the preliminary fieldwork was not intended to generate statistically valid information. The diagram is based on offices rather than officers. No account is taken of the prevalence of views within individual offices and the same weight is given to all offices regardless of size. Similarly no account is taken of variations in the importance which individual officers attach to specific issues. Perhaps most importantly, because the interviews were informal there is no guarantee that all officers were asked the same questions in the same way, or that they were prompted to the same extent. Indeed, it is certain that they were not. Nevertheless, it is important to recognise that the issues discussed below do not all have equivalent salience in local offices and Figure 7.1 is one method of illustrating this.

Figure 7.1: Aspects of the social fund seen in different lights in different DSS local offices

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Key
Topics listed are those mentioned by more than 5 offices

- mentioned in 1-4 offices
- mentioned in 5-8 offices
- mentioned in 9-12 offices
- mentioned in 13-16 offices
- mentioned in 17-20 offices

The topics attracting most discussion were the introduction of loans, the return to officer discretion, fairness, and issues to do with the abuse of the system. It is striking that, in each case, the negative and positive aspects of these features attracted similar amounts of comment. Sometimes individuals put forward conflicting views, or could at least see both sides of an argument, but more frequently a particular set of positive or negative features seemed to outweigh all other
considerations in officers’ minds. It was also evident that offices tended to support a community of broadly consistent views which were widely shared by staff.

The desire to cap the growth in expenditure on exceptional needs, which was one implicit objective of the social fund, attracted somewhat less comment from local office staff but again views were markedly divided. Some staff saw this as being essential, partly to stem abuse which was widely believed to have been very prevalent under the single payments system. Others gave greater weight to the loss of income which many households had experienced as a result of the change.

Views were much less divided on the issue of the budget (although, as will become apparent below, distinctions were sometimes made between the principle of imposing a budget and the level at which it is set). Similarly, officers tended to be united in their views on the effectiveness of targeting and the rules on alignment, that is the need for some income support claimants to apply for social fund loans in order to tide them over until the first payment of income support (which is paid in arrears). Officers were convinced that the system was not working effectively, in relation to either targeting or alignment cases.

Loans

The introduction of loans to replace the lump sum grants available under the single payments system probably attracted more comment than any other feature of the social fund. Views were deeply divided between staff who welcomed the idea, sometimes for pragmatic reasons, sometimes on ideological grounds, and those who opposed it.

Support for the concept of loans was related to issues of access to credit, equity, personal responsibility and the control of abuse. These in turn were often associated with views about the perceived fairness of the system and the general level of expenditure.

Access to credit

Some staff argued that claimants were previously denied access to credit at reasonable interest rates, simply because of their status as claimants. As a result they were unable to spread the burden of large expenditures, most noticeably the cost of replacing clothing and basic consumer durables. The social fund now offered interest-free loans which, in the view of some officers, most applicants were happy to accept. It enabled claimants to avoid the snares laid by unscrupulous money lenders.

A large number of people who have been credit black-listed see the social fund as a chance to borrow money and to organise their own lifestyle.

(SFO, Inner conurbation).

Equity

Giving claimants access to credit establishes parity with non-claimants. The availability of grants under the single payments scheme gave supplementary benefit recipients an advantage over other low income groups, notably low wage earners. The social fund, some considered, reduced the extent of this anomaly—‘putting people on the same footing’—although the fact that no interest was payable still concerned some officers on equity grounds.

The social fund has a degree of fairness about it because under single payments benefit people got grants while other low income groups had to borrow and repay. Now all have to borrow and repay!

(SFO, Outer conurbation).

Personal responsibility

A number of officers thought that loans promoted a sense of personal responsibility and countered some of the negative aspects of ‘benefit dependency’. Loans enabled people ‘to get an immediate loan when they want one’ and ‘to get the things they want and to take responsibility’. Because loans were simply ‘an advance on benefit’, it was sometimes suggested that there was ‘less begging’ under the present system than under single payments.

Although it’s reaching the same nucleus of claimants it gives people a little more confidence because they are asking for their own money. It is therefore less a process of begging.

(SFO, Inner conurbation).

Whereas some officers felt that single payments had created dependency, loans were believed to ‘instil a sense of responsibility’, provide ‘a taste of reality’ and ‘make people think twice’ before making an application. As a consequence a number of officers believe that the social fund ‘directs help to those people who need it rather than to the people who think they want it’.

Single payments were being abused. I agree with the Government’s long-term policy in the social fund of helping families to get on their own feet without continuous handouts. The loan component is basically a good idea.

(SFO, Medium sized town).

Abuse

It was quite commonly argued that the existence of loans eased the control of abuse. First, the fact that people knew that they had to pay back any award was taken as indicating that the need was probably real and, hence the claim genuine. But, secondly, even if the claim was not genuine, the Department stood to recover the payment and the cost to the taxpayer of any abuse would be limited to the administrative cost of recovery.

I prefer the social fund to single payments because some really honest people lost out on single payments. With the social fund at least everyone has a chance. Social fund rip-offs are at least repaid as loans.

(SFO, City rural)
However, views such as those reported above were often qualified by concern about the level of income support and the difficulty that claimants may experience in paying back their loans. This was one of the major reasons why many officers dislike the introduction of loans. Others included moral objections to the idea of indebtedness, and concern about differential access to loans and about the interaction between the availability of loans and the size of the social fund budget.

Hardship A lot of officers argued that the basic income support scale rates constituted the minimum amount which families could manage to live on. Therefore the repayments of loans, by deduction from benefit resulted in, rather than relieved, financial hardship: 'by definition claimants can't afford to pay'. This problem, some officers believed, was exacerbated by the repayment rate which could amount to 15 per cent of benefit or even more. As a consequence, some officers argued 'dependence on the state' was actually increased 'because applicants are so desperate'.

I am disturbed by the number of people on 15 who never know what it's like to have a full weekly entitlement—they lurch from one loan to the next and regular weekly budgeting on benefit income is not being learned.

(SFO, Outer Corunbation)

Indebtedness Perhaps more than anything else, social fund officers objected to the indebtedness which they believed was created by the social fund. Officers talked of people 'being drawn into debt' and of the social fund 'digging people deeper into poverty'. A few questioned the morality of debt itself, while rather more asked whether it was legitimate to 'lend people their own money'. The phenomenon of income support claimants applying for and receiving a series of loans—officers' estimates ranged between 30 and 50 per cent of all users—also weighed heavily with some officers who were concerned at the numbers of people who were approaching their loans 'ceiling' after which no further loans could be granted.

The social fund encourages people on low incomes to get into debt. When the scheme was formulated it was never anticipated that people would have more than one loan at any given time. However, in effect, people are accumulating a massive advance of income support. In some cases people are now borrowing to live.

(SFO, Medium sized town)

Access Staff who might have accepted the principle of loans were nevertheless concerned that access to them was not equitable. Budgeting loans were not available to low wage earners. Applicants without other debts had to pay social fund loans back at the highest repayment rate, a feature which was seen as a deterrent to thrift and to disadvantage pensioners who seldom had any other outgoings. Indeed, pensioners were often thought to be averse to debt which meant that they had been particularly badly affected by the move from grants to loans.

Budget interactions Finally, some staff thought that since loans represented an 'advance on benefit' and would, in any case, be recovered from weekly benefit, it was inappropriate to deny applicants access to 'their own money' through the operation of a budget system.

To conclude, arguments in favour of introduction of loans were heard just about as frequently as criticism of them. Officers could usually appreciate both points of view but most instinctively adhered—sometimes passionately—to one set of arguments or the other.

Abuse in General

Some officers felt that the introduction of loans eased the problem of controlling abuse. The requirement that loans should generally be paid off within 78 weeks, effectively imposed a ceiling on the amount of money which could be borrowed by any one claimant. Some officers also believed that the requirements to gather detailed information on the circumstances of applicants meant that fewer people 'could live off the system' than had been the case under single payments. On the other hand, some believed that they had identified perverse incentives associated with the scheme. Some claimants for example might be discouraged from working because of the six months qualifying period for budgeting loans.

While officers considered that, in theory, the structure of the social fund generally limited abuse, aspects of its implementation were thought by many officers to encourage it. A key concern was the perceived lack of 'policing' which was linked to a reduction in visiting and to staffing constraints in general. Staff were not encouraged to check that awards were used for the items requested. Repeat claims could not be adequately controlled. There was no 'inherently improbable' category which officers could use to refuse a suspect claim. Identification evidence accepted for crisis loans was often inadequate because resources were not available for further checks to be carried out. Indeed, one income support supervisor remarked that there was always a temptation for the social fund section 'to pay to people who create a disturbance'. Numerous officers believed that 'there was just as much abuse, only the amounts paid out were less'.

There are clauses for assessing needs missing from the social fund. Under single payments you had to ensure that an item was not 'unreasonably disposed of' and that the person didn't fail to avail themselves of the item. With the social fund it's easier to get the same item time and time again.

(Administrative officer (SF), Small town)
Discretion

Discretion was another topic which attracted very diverse comment. The single payments system was tightly constrained by regulations with officer discretion intended to be reduced to a minimum. The social fund, on the other hand, sought to devolve responsibility for discretionary decisions to individual officers ‘to enable a more varied response to inescapable individual need’ (Crnd. 9518, 1985). Most social fund officers welcomed the principle of increased discretion but a substantial number questioned whether this had been achieved in practice.

Many officers spoke about discretion in the language of the 1985 Green Paper cited above. It enabled them to respond more flexibly to the needs of applicants. This extended to the definition and recognition of needs as well as ‘flexibility in how to help’. For example, one officer expanded on his view that the social fund enabled him to ‘tailor real help’ by describing how a budgeting loan could be given to pay off all existing debts and hence ‘give a person a new start’. There was also talk about how the Directions could be ‘interpreted liberally’ to help ‘borderline cases’ and one officer linked discretion with perception of the loans being an advance of benefit.

Perhaps inevitably, officers couched issues relating to discretion in terms of a comparison with single payments. The social fund offered ‘a fair amount of latitude, whereas with single payments you had to follow the letter of the law’. For some officers with long memories, it constituted a welcome return to the situation prior to reforms in 1980; indeed some argued that the new scheme was even better because in the 1970s, officers had too much discretion with the result that ‘people whose face didn’t fit didn’t get anything’. Certain officers, particularly those in offices where budget constraints were not severe, reported that the social fund enabled them to help considerably more people than had been possible under single payments.

However, many officers were at pains to qualify their views on discretion by emphasising the important practical constraint caused by the local office budget. A considerable number of officers argued that primarily because of the budget they in fact had less discretion than under the previous system. Discretion was ‘impossible’ when an officer ‘was limited in what and who he can pay’ and when a decision in one ease inevitably acts as a constraint on all others.

SFOs have no discretion. You could give a holiday to a pensioner using discretion-and you could justify the decision----but if you did this all the time you would have used up the budget hundreds of times over.

(SFO, Inner conurbation)

The budget

The existence of a budget, in some officers’ opinions, not only negated the concept of discretion, but undermined the objectives of the scheme and hindered its administration. Some officers explicitly drew a distinction between the existence of a budget per se and the level at which it was set. The views of many were overwhelmingly coloured by the state of their own local office budgets.

Most importantly, it was argued that constraints meant that high priority needs simply were not being met, hence benefit was not being targeted on those most in need. Similarly, it was suggested that the social fund was failing in its aim of helping people cope with large purchases because many people who could potentially benefit from loans were being denied them.

We have a limited budget so that low priority items and sometimes medium priority items cannot be paid to people who could really benefit from the availability of interest free loans to improve their standard of living.

(SFO, Medium sized town).

Some fundamental objections to a budget were raised by certain officers. Some questioned whether it was possible to ‘budget for need’. This concern had practical repercussions since it often proved very difficult for officers to explain decisions conditioned by office priorities: ‘simply because there is no budget (i.e. limited resources are left in the budget) doesn't mean that the need doesn't exist’. Managers noted this concern and its detrimental effect on staff morale.

We are paying medium priorities and getting extra cash. This will raise expectations, more will apply, the budget will get tight again, we will have to turn more people down, we get criticised for saying no. It's all bad for staff morale.

(HEO, City urban)

Other officers considered that the existence of a budget meant that judgements had to be made about priorities. These judgements were inevitably influenced by personal views and experiences. Finally, a number of officers argued that the budget ‘replaced old unfairnesses with new ones’, a concern which is developed later in this chapter.

It should be said that there were a few officers who articulated the case of a budget constraint. This was usually done by reference to escalating expenditure under single payments and the unavoidable need to
curtail it. Almost invariably, however, arguments of this kind were coupled with statements about the need for the budget 'to be properly targeted' and 'set at a reasonable level'.

Cost cutting

Officers' identified twin objectives which they linked with the introduction of a budget: to reduce expenditure on meeting exceptional needs; and to cut administrative costs. Opinion was divided on the justification for the first objective although sizeable numbers of staff did think that spending on single payments had been out of control and that the social fund had 'saved the Treasury millions at a stroke'. A common view, however, was that the growth of spending on single payments had been satisfactorily checked by changes made in summer 1986 and spring 1987 and that, consequently, the introduction of the social fund had been unnecessary. Indeed it was commonly believed that what the social fund saved in benefit expenditure was spent on administration. Some regarded the staff complementing system as a further effort to cut costs, which had resulted in social fund sections being inadequately staffed.

Unfairness

Opinions were quite finely balanced as to whether the social fund was more of less unfair than the system which it replaced. Those who thought that it had made matters worse tended to emphasise the existence of a budget constraint and the re-introduction of discretion. Those who took the opposite view pointed to the new needs which could be met under the social fund, the extent of abuse under single payments, and the way in which the payment of grants was thought to engender dependency.

Some officers believed that budget constraints prevented them from meeting high priority needs and that this was unfair. Fine-tuning local office priorities to bring spending in line with the budget profile was also identified as a further cause of unfairness. When the payment line was raised applicants would have to be turned away even though in the previous week they might have received an award. When the payment line was lowered officers found themselves giving awards to people whom they considered to be less in need than applicants whom they had previously been forced to turn away. The extra money received by some offices to top up their budgets often came in for criticism on this score.

There are real problems with variations over time. For example, we had no money before Christmas, now we have a lot and have to spend it because we owe it to next year's applicants not to have a surplus. It's really unfair on applicants. We're not allowed to interpret the injection of cash as 'changed circumstances' to help those refused last month.

The process of raising and lowering office payment lines was thought by some officers to bring the scheme into disrepute among applicants who could always quote the case of somebody in identical circumstances who had been given a grant or loan. At best it was felt that the system of 'fine-tuning' priorities must make the scheme appear very confusing for applicants. Many officers also remarked on what they considered to be the unfair allocation of budgets to local offices. They pointed to offices which were 'paying only on cookers and beds' and to others where applicants were reputed 'to be getting luxury items'. Officers were often made aware of such differences when claimants transferred between offices.

Some officers also recognised inconsistencies occurring between officers within the same office caused, in part, by the return to discretion and 'the end of entitlement'.

Inconsistencies are particularly had feature----between different officers, and in some offices, month to month. People don't understand why they get money this month but not next; and why their relatives in X get different decisions. This inconsistency is a great frustration to SFOs.

(SFO, Small town)

In most offices, officers were aware of the problem and steps were taken to ensure consistency (Chapter 4). Yet equally, inconsistency between officers was widely thought to be an inevitable concomitant of discretion.

Other areas of inconsistency highlighted by some staff echo criticisms of the loan system. Because repayment rates are linked to the level of other outgoings, the system was thought by some officers 'to penalise people who are careful'. The difficulty of recovering loans from people who had moved off benefit meant that they effectively ended up with a grant, whereas those still on benefit had repayments deducted from source.

Officers who believed that the social fund was fairer tended to be those who approved of loans and thought loans placed everybody on an equal footing. In addition, many believed that the single payments scheme had been unfair because the relatively small number of claimants 'who were in the know' had exploited the system: 'those who didn't shout, didn't get'. Because decisions were now discretionary a number of officers felt more able to discriminate between claims which were genuine and those which were not.

Targeting and alignment cases

Social fund officers expected that the fund would stimulate demand from more diverse quarters of the income support caseload than had single payments. Many believed that this had not happened and some considered this to be a significant failing of the system. Precisely what officers saw to be the problem and the reasons for it varied. Some thought that the scheme was
just a re-run of single payments' or a 're-run with less money', and that it was 'no fairer and with the same level of abuse because the same people were involved'. 'Needy people' were thought to be excluded from both schemes with awards going to those 'people who know how to express their needs best'.

Other officers argued that the scheme was not reaching new areas of need. Take-up was thought to be low because people did not wish to take out loans. Staff did not have the resources to promote the scheme and to solicit applications from new groups. Home visiting had been reduced and the system was operated largely by post so that the scheme was almost exclusively reliant on self-referral. Potential new groups, such as the disabled, were often excluded from the scheme on income grounds. Community care grants were 'difficult to use for most categories of elderly' since they were not at 'imminent risk of being taken into care'.

The only group of people who were widely identified as being new to the system were people affected by the change to paying benefit in arrears and who had to apply for crisis loans to tide them over until the first payment day. Many staff considered it to be unfair that claimants should begin their time on benefit by 'being forced into debt'.

Crisis loans were included in order to cope with the stupidity of paying benefit in arrears. There should be no need for crisis loans. Why should people be deprived of entitlement by refusal of a crisis loan? The public are most annoyed by this part of the system.

(SFO, Inner conurbation)

Summary

Staff in local offices expressed varied opinions about the main structural features of the social fund. Some thought that the system was fairer than single payments, that loans were a good idea, and that they could operate the scheme with a fair amount of discretion. Other officers disagreed on each count.

While diverse views were occasionally heard within a single office, there was generally a considerable degree of consensus within an office. To an extent this may reflect the different budgetary pressures on individual offices. While it is impossible to examine this proposition rigorously, the available evidence does lend it limited credence. Certainly, offices where the budget constraint was identified as a weakness of the scheme were more likely than others to be meeting only high priority needs. Likewise, the suggestion that loans were likely to cause considerable hardship was most likely to be heard in those offices where even the budget for community care grants was under pressure.

7.2 Administering the social fund

Discussions with staff also focused on issues relating to the administration of the fund: the difficulties of day-to-day operation; and the broader concerns about the efficiency of the system. This section outlines some of those broader concerns expressed by staff in relation to administrative complexity, cost-effectiveness, and effective 'targeting' of help.

There was a remarkable consistency of views between offices about the administration of the scheme. Where there were differences, these tended to be linked with the different structures set up by offices in response to the various tasks of running the social fund (Chapter 2). Factors influencing officers' perception of issues included the level of staff expertise, individual attitudes and interests and the perceived efficiency of office administration. Officers' opinions may also have been influenced by particular constraints on day-to-day administration such as the state of the office budget. In offices where budgetary pressure was felt more severely, management was likely to see the budget as the 'root' of their problems, and a barrier to smooth and effective running of the scheme. In contrast, offices feeling less constrained by the budget were less likely to raise this in the context of administrative efficiency.

Complexity

In general social fund staff found the administration of the scheme unwieldy, cumbersome, and at times unnecessarily complex. The need to maintain effective liaison with other sections in the local office created specific difficulties. Many staff described how the social fund had 'generated work' requiring extensive and at times repetitive form filling and case documentation.

Some specific aspects of the scheme had generated work that was more complex and time-consuming than anticipated. For example, the number of applicants making successive, multiple loan applications was increasing at a rate much greater than originally anticipated increasing the need for loan rescheduling and personal interviews with applicants. Review cases too were said to put extra demands on staff. Local office reviews, social fund inspectors' reviews, and those cases going to civil proceedings all required additional paper work and careful case preparation. Many SFOs spoke of the difficulties of coping with these additional tasks alongside the day-to-day administration of applications.

Cost-effectiveness

Much of the discussion with staff regarding the complexity of administering the fund was underpinned by a degree of scepticism about cost-effectiveness. Few were in doubt about the rising cost of administering single payments but for most, the social fund failed to offer an effective solution.
Many drew attention to the considerable staff resources necessary to ensure the smooth running of the scheme. Within the social fund section, administrative assistants, administrative officers and social fund officers were all required to complete the processing of a single application (Chapter 2). Loan recovery required a further, significant input from outside social fund section, namely income support and unemployment benefit. There were widespread reservations about the cost-effectiveness of issuing recoverable loans, when offset by the cost of administering the recovery process.

**Targeting and 'meeting need'**

In some cases administrative demands were believed to stand in the way of effective targeting. For example, the office resources required to process a crisis loan often dictated the number of cases that could be dealt with in a day. Where demand for crisis loans was particularly high, the resources available as well as the budget could be the dominant factors dictating the number of loans processed daily. Once a daily quota of crisis loan interviews was filled, additional applicants would be turned away.

The pressures imposed by office performance indicators were perceived as another barrier to responding effectively to applicants' needs. Discussions focused primarily on application clearance times (measures of performance analysed at a local office and regional level) which in the views of some SFOs prevented a thorough assessment of individual applications and case details. The inadequacies of operating the scheme through a postal system have already been discussed, yet the pressure to meet clearance times on occasions meant officers had insufficient time to pursue further information about applicants to inform final decisions.

7.3 The views of advice workers

Discussions with agencies about the structure and impact of the social fund tended to focus on a similar ranges of issues to those covered in conversations with local office staff. However, the sentiments expressed and experiences reported by advisers were almost invariably negative and very few perceived their clients to have benefited from the introduction of the scheme.

To an extent, some of the advice workers visited were restricted in their ability to discuss the social fund by their limited contact with the scheme. General advice agencies, such as welfare rights units and citizens advice bureaux (CABs), reported a relatively low rate of enquiries about the social fund, certainly much lower than that received under single payments. They interpreted this in part to be the result of a low take-up of the fund and also as an indication of 'negative feelings' and reduced expectations on the part of benefit claimants. A number of CAB staff reported that benefit related enquiries had generally declined, since the 1988 changes in social security. They considered this to be the outcome of a more 'restricted system' in which the scope for gaining additional money for special needs had been withdrawn. The numbers of people seeking financial help and advice had not declined however, and frequently benefit advice had been replaced with debt counselling services (Chapter 6). Other agencies, particularly probation and social services, had maintained a consistent level of advice work with claimants seeking one-off payments, and were in a position to speak authoritatively about the social fund.

Views were sought on loans, and on how the fund generally compared in fairness and accessibility to single payments. Agencies commented on how they had responded to the fund in practice and on how it had affected both them and their clients.

**Social fund loans**

The introduction of social fund loans was probably the most controversial element of the scheme from the point of view of advisers. None of the advice workers and social workers consulted was, in principle, in favour of people being given loans from social security. In their experience, families dependent on benefit or low wages were generally experiencing extreme difficulties in meeting their expenses. Encouraging the take-up of loans was felt to be at odds with advice workers' objectives of helping people meet their needs from a low income. Many clients were already in debt and taking further loans was not regarded as a suitable option. As a result, some agencies had adhered to a strict policy of not providing advice or information on the availability of social fund loans.

I wouldn't recommend loans. I'm a qualified debt counsellor. It's not the right thing to suggest.

(Community centre advice worker)

Social fund money requests come from people who can't afford any more catalogue loans. However, loans aren't a real solution. . . . I avoid loan advice altogether, but then some people apply for a CCG and get a partial award but with a top-up loan.

(Community mental health adviser)

Many advisers had felt unable to maintain such a firm stance against loans. Once confronted with the needs of individuals their policy of non-cooperation had been rendered impractical since alternative sources of financial help were so limited. Instead they offered cautious advice about social fund loans. One welfare rights unit had produced a public information leaflet on social fund loans which echoed the kind of advice being offered by many of the agencies consulted.

Think carefully before you agree to a social fund loan from the DSS. Repayment is usually by having money stopped out of your benefit. Sometimes as much as a quarter of your weekly money will be stopped. . . . Take care if you are thinking of borrowing money some other way. Don't get in the clutches of a loan shark. Do all you can to get a grant instead of a loan.

(Produced by a local authority welfare rights unit)
While many advisers were hostile to the idea of social fund loans, they recognised that the ‘interest free’ element was attractive and a preferred option to high interest credit and ‘loan sharks’. They noted that many people had ‘no choice’ but to use the social fund as a means of meeting their expenses. Several talked of working with clients to encourage them to try for a grant where possible, or reduce the amount of money requested.

Ninety-nine per cent (of women leaving the refuge) need something from the social fund. These people are dependent on the social fund for help. We suggest a CCG for start-up grants and removals. If loans are the only option we try and persuade them to take on as little as possible.

(Women’ refuge advice worker)

Discretion and flexibility'

The notion of the social fund as a discretionary scheme providing a ‘flexible’ response to peoples’ needs was also questioned. Many felt that the social fund was in practice much ‘tighter’ than single payments. In some cases this was felt to be the result of ‘eligibility’ criteria. Advisers spoke of the difficulties of getting people to ‘fit the grants criteria’; of trying to help people who were excluded as a result of the twenty-six week rule; and of dealing with problems recurring within the six month period of a social fund award being made. Others spoke of the inadequacy of start-up grants, particularly for single people. Many believed that the inflexibility of the scheme was the result of local office budgets which in practice meant that SFOs were rarely able to use discretion in assessing applications.

They believed that decisions were restricted by predetermined office priorities. Some clients, such as people with physical disabilities, had become labelled as in need and were easily categorised. Others were less easy to fit into a social fund high priority group, and given the budget constraints, might be refused social fund awards. Families, including lone parents, and those seeking money for items of less than ‘high priority’ were frequently cited as groups for whom the social fund offered no certainty of financial assistance. Other types of applicants had been ‘pushed to the bottom of the list’. Young people and people leaving prison were typically felt to be discriminated against in this way.

Most probation people are on income support and 80 per cent have financial difficulties . . . The social fund is a deterioration of the DSS attempts to meet people’s needs. Ex-offenders were wiped out of the system altogether this year (because of the local office ‘priorities’). We get similar problems with families under stress.

(Probation officer)

Advisers were sometimes called upon, or volunteered, to provide elaborative or additional information about their clients. In these circumstances, their objective was either to try to prevent ‘pigeon holing’ of clients by encouraging a more discretionary approach, or to provide the kind of information which would help ‘fit’ the client into one of the existing high priority categories.

The impact of the social fund

Overall, the rate of refusal under the social fund was perceived as much higher than under single payments. Many advisers did not feel confident about the advice they could offer applicants. They feared they might mislead applicants since they could never be certain that an award would be made. These concerns were largely a product of the apparent fluctuations in the kinds of awards being made. While most advisers felt they had a positive impact on SFOs’ decisions, many said that where possible they would avoid intervening on a social fund case unless they believed that an award would be made.

Several spoke of lowered job satisfaction since the introduction of the scheme and a lowering of agency morale. Overall, they felt their success in helping people gain financial help from benefits had been significantly reduced, partly because of the nature of the review system, but also because of the structure and unpredictability of the scheme. In one extreme case, advisers had become particularly demoralised on hearing that social fund money had been returned unspent by the office at the end of the financial year, while in the agency they were still trying to help people who had been refused awards.

The majority reported that they had avoided take-up campaign work since they were concerned that expectations would be falsely raised in the context of restricted local budgets. Where take-up campaign work had been pursued, it was solely to promote the grants side of the scheme. In many cases, benefit advice had been partly replaced by increased contact with charities, both locally and nationally. As an alternative to the social fund, agencies reported some success in negotiating assistance from national and local charities either in the form of financial help, clothing, furniture or household goods. There was, however, growing concern that these alternative sources of help were themselves becoming depleted as a result of increasing demands.

7.4 Conclusion

The social fund represented a profound change for both DSS local office staff, and others engaged in working with low income households.

Local office staff expressed diverse views about the impact of the scheme and its success or otherwise in
meeting the needs of clients. Probably the most controversial elements related to the introduction of loans, and the nature of discretion under a limited budget. Some felt the social fund represented a departure from the perceived culture of dependency believed to be characteristic of single payments to one engendering a sense of independence in claimants through the loan system. Others, concerned about the financial hardship they believed to be resulting from the system, saw loans as an inappropriate form of help. For many, the restrictions imposed on the scheme by limited local office budgets were seen as a barrier to providing adequate financial help or a responsive service.

The views of advisers present an interesting comparison to those expressed by local office staff. While many of the same issues of concern were raised by both parties, advisers' attitudes and perceptions of the social fund were overwhelmingly negative. Increasing levels of hardship and associated problems of indebtedness were key problems currently experienced by clients. The social fund provided an inadequate response to the general and exceptional needs experienced by benefit recipients and other low income households.
8. Conclusions

The research target was as preliminary fieldwork prior to counting a large national survey of social fund applicants and other low income households. If respondents to the survey were to be asked questions about the process of making a social fund application, then it was clearly important to know how the scheme was administered. Moreover, the evidence from the previous system of single payments was that the scheme operated very differently in different offices (Walker and Lawton, 1988). The social fund, with the introduction and devolution of budgetary control to local offices, and the emphasis on a 'more varied response to inescapable individual need', made it even more essential to sample the administration in a number of localities. The result was the largest independent survey of social security administration ever conducted in the United Kingdom.

In order to assess the effectiveness of a social security scheme, it is necessary to piece together the experiences and perceptions of all individuals affected by it. This volume is limited to the perspective of local office staff, augmented by the views of individuals in selected statutory and voluntary agencies. It does not present a definitive account of the social fund. Without speaking to applicants and to others on low incomes it is impossible to establish whether the social fund is effective in targeting help to those most in need (Huby and Dix, 1992).

This volume complements the many existing studies of the social fund conducted from the perspective of social services departments and welfare rights advisers (eg Becker and Silburn, 1990) with an account of the experiences of local office staff. Moreover, reflecting the unparalleled access afforded to the researchers by the Department of Social Security and the generous cooperation of local office staff, it is possible to provide evidence about elements of the scheme and its administration that previous research has been unable to address. The aim in this final chapter is briefly to recap on some of the principal findings and to link them to themes noted in the opening chapter.

8.1 Diversity

Social fund sections vary markedly in organisation, style and ethos. A common experience of researchers, one which has sometimes been accorded the status of a research strategy (Glaser, 1978) is that the marginal increase in new information achieved by an additional interview or field visit rapidly diminishes. In this research, although common features were readily discernible in the sample offices, each new visit brought surprises and unexpected insights and revealed substantial differences in practice.

It is to be expected that offices will evolve different administrative styles which reflect local conditions, traditions and resources. It is not necessarily the case that such differences contribute to the local variation in awards and expenditure which so worried the Social Security Benefits Commission in the 1970s, (Cmnd. 6910. 1977; Chapter 1 above) and which was evident even after the discretionary system was abandoned in 1980 (Berthoud, 1984; Walker and Lawton, 1988). However, the preliminary visits do indicate that identical social fund applications may have a different outcome depending on the office to which they are made. The initial evidence, therefore, is that territorial inequity is a feature of the social fund as it was of the single payment system (Huby and Walker, 1991a; Walker and Lawton, 1988).

Much of the diversity between offices is associated with different levels of resources, management and staff skills and perhaps, most of all, budget allocation. Allocations to local offices reflect caseload composition and prior expenditure on single payments. The intention was to lessen disparities in expenditure and even out demand in relation to budget. In practice, demands on local budgets vary markedly (Huby and Walker, 1991a). Moreover, local office staff report dramatic fluctuations from week to week, or month to month, over and above those allowed for in the annual budget profiles. The budget allocation formula has only been gradually adjusted since the beginning of the scheme to take account of differential demand. In addition, selected offices have received injections of cash part way through the year which may enhance inequity of treatment over time. One reason why the formula may not have been dramatically changed is that it is not clear that differences in social fund expenditure provide a real indication of differences in need. Huby (1992) suggests how factors other than need can operate to regulate expenditure.

The result is that some offices can only make awards in response to circumstances perceived as extreme-repair
of defective cookers and living expenses while awaiting benefit—while others can meet virtually all applications unless for explicitly excluded items or services. Payment lines within some offices are moved frequently, as staff grapple with fluctuating demands and a budget that is largely fixed. As a consequence, the chance of receiving an award in these offices varies throughout the financial year.

Variation in application rates may affect the process by which officers take decisions (Chapters 3 and 4). Where demand is high, pressures on staff are almost certainly increased, offices may fail to meet performance targets, and the number of requests for review may also increase.

Differences in the abilities and inclinations of management and social fund staff also have direct and indirect consequences for service delivery. Not all managers were able to put their best staff on the social fund section while others chose not to do so. Some officers have been able and willing to adopt relatively strong forms of discretion; others, occasionally in the same office, have sought to carry forward a single payment philosophy (see below). Occasionally offices have chosen to continue a tradition of home visiting, while elsewhere visiting has always been, or has become, rare. Some managers have responded to special staff interests in recovery or in money advice. These are sometimes revealing. For example, while many officers personally regret the absence of an intensive money advice service, it is almost invariably believed that demand is low because customers prefer the independent advice which is available from Citizens Advice Bureaux and other sources. The principal exceptions to this come from the few officers actively engaged in providing a money advice service who were able to report a large clientele.

Administration, therefore, and even the package of services that comprises the social fund, varies markedly from one office to another, in ways which cannot always be attributed to differences in the needs of the local population. Given fixed local budgets, any increases in local need which lead to increases in applications to the social fund will ultimately decrease the probability of awards being made. This phenomenon would in theory manifest itself in increased rates of refusal on grounds of ‘insufficient priority’. The relationship between need and demand as measured by application rates is, however, complex, and certainly not linear. Negative feedback loops act to regulate rates of application in ways independent of levels of need (Huby, 1992; Huby and Dix, 1992).

8.2 Discretion

The architects of the social fund chose to reintroduce discretionary decision making in order to permit and encourage a flexible response to individual need. The discretion of social fund officers would be bound only by the Law and Directions.

In practice, this strong form of discretion is necessarily constrained by a number of additional factors, most importantly local office priority lists (Chapter 4). The scope for the exercise of strong discretion is greatest where the priority lists are not tightly defined and the payment line is neither very high, nor very low. (When the payment line is high only self-evidently exceptional applications will be accepted and when it is low only legally excluded categories of application will be refused.)

Office priority lists provide a yardstick against which individual applications are compared. This largely avoids the need to compare cases directly (batching) and for officers to choose between them. Nevertheless, the effect of considering each case in relation to the local priorities is that indirect comparisons are being made all the time. As a result the discretion available to social fund officers differs considerably from the pure model of individualised discretion proposed by Titmuss (1971).

Office priority lists also resolve a potential conflict between management and social fund staff. The former shoulders responsibility for budgetary control and requires a basic level of decision-taking consistency in order to meet monetary targets. The latter, through the use of discretion, have the wherewithal to frustrate managerial control of the budget. However, most social fund officers also stress the need for consistency, not least because of the need to be seen to be fair by applicants, and are generally willing to forgo strong forms of discretion. Indeed, consistency is frequently viewed as the hallmark of a professional approach to social fund administration.

The debate about discretion has typically focused on application decisions. But the observations in local offices and discussions with staff indicate that discretionary-like decisions are prominent throughout the processing of an application: for example in deciding whether or not to interview, whether to seek additional information or when to consult the guidance Manual. While the importance attached to priority lists may appear to limit the scope of discretion available to officers, they nevertheless retain a degree of freedom of action.

Finally, it is important not to forget that many social fund decisions are mundane and that some officers described their jobs as repetitive and boring. After a time most applications may be dealt with without great soul searching, they may fall into excluded categories or the outcome may be in other ways self-evident to the officer. Whether or not such cases are clear cut or officers come to different conclusions is examined in later work on the extent of unmet need (Huby and Dix, 1992).
8.3 Complexity

One objective of the 1988 Fowler reforms was to reduce complexity for both applicants and local offices. There is little information about the first dimension, although some advisers report that their clients continue to confuse loans with grants while they themselves often find difficulty in preparing cases for review given the discretionary nature of decisions. Again the interviews with a national sample of low income households throw more light on this issue (Huby and Dix, 1992).

The research here is more illuminating in relation to social fund administration which appears to be exceedingly complex. This may be inevitable in a scheme which aims to provide ‘a varied response to inescapable individual need’. It should not be forgotten that the relative simplicity of income support was achieved by transferring to the social fund some of the complexity previously inherent in supplementary benefit. This resulted in administrative savings for local offices and facilitated the introduction of large scale computerisation. Nevertheless, officers’ negative comments about the administration of the social fund far exceeded positive ones.

Much of the fund’s administrative complexity can be traced to procedures for the recovery of loans. These entail extensive and continuing liaison with income support sections and with the Department of Employment. They generate high volumes of computer work and, in cases of default, involve a cumbersome process of debt recovery.

Other problems are associated with weak liaison. Social fund sections are embedded in networks of relations, both inside and outside the office, on which officers depend for information, action and support. Poorly developed networks can frustrate the development of office priorities, complicate the process of making decisions, cause delays and sometimes necessitate parallel monitoring systems.

However, to establish networks outside the local office through visits, exchanges and open days, and to develop trust and allegiance within the office is invariably a resource intensive exercise. Since networks tend to be fostered by repeated use, offices without them lack the constructive and reinforcing effect of such use. Often poor liaison reflects a history of persistent local political opposition to the social fund, although help on individual cases is now usually forthcoming when social fund officers know whom to ask. Equally, there are occasions when outside organisations simply do not hold the kind of information needed by social fund sections, especially that necessary to establish local priorities.

8.4 Meeting needs: competing hypotheses

While it is inappropriate to prejudge the conclusions of the main evaluative component of the research, it is possible to establish a number of hypotheses deriving-in the main-from the views and experiences of social fund officers. These relate both to issues evident in earlier schemes, for example, targeting, equity and abuse and to new ones such as effectiveness of loans. It is important to note that officers often disagreed wildly about the overall efficacy of the social fund especially compared to the single payments system which preceded it (Chapter 7).

Targeting

There was most agreement about the effectiveness, or more accurately, the lack of effectiveness of the social fund in targeting new needs. Social fund awards are generally held to be going to precisely the same kinds of people who received single payments, principally lone parents and families affected by unemployment. The disabled are often excluded on income grounds while the elderly are thought to be either fearful of the prospect of incurring debts, or else unable to meet the repayments. Officers generally accept that most awards are going to people in ‘genuine’ need, but believe that the social fund is simply not reaching those in the greatest financial distress. Many officers thought that if additional funds were devoted to promoting the scheme, or to increasing the extent of home visiting, the number of awards (predominantly community care grants going to pensioners) could be substantially increased, although the results of local take-up campaigns were mixed.

Even if the social fund is going to the same groups as single payments, this does not necessarily mean that the scheme is poorly targeted. It may be that the shift in emphasis, particularly with the provision of community care grants, was based on misconceptions about the nature and extent of financial needs suffered by these new target groups. The number of patients being discharged from long stay hospitals may have passed its peak. The needs of such people, and of those already in the community, may not be primarily for one-off payments but rather for continuing support.

Equity

Some officers argue that the social fund has enhanced equity by extending the advantages of borrowing money to social security claimants whose low credit rating previously prevented them from securing commercial credit (at least at a reasonable rate of interest). It has also resulted in fewer social security recipients having the uncontestable right to non-repayable awards which had never been available to low income working families. Whether applicants and other low income families take a similar view of social fund loans, whether they see them as equating with commercial loans, and whether the relatively high repayment rates deducted directly from benefit act as a disincentive, are all yet to be determined.
In other respects the social fund may be inequitable. Officers pointed, in particular, to the local variation in budget allocations, to the consequences of raising and lowering payment lines and to the possible disparities which might result from a reliance on officer discretion. Officers in some areas believed that the budget constraint was so severe that it very largely undermined the effectiveness of the fund in responding to exceptional needs.

Individual discretion was blamed for inequities evident in the pre-1980 scheme for meeting exceptional needs. This may be less important under the social fund if in practice social fund sections emphasise the consistency of their decisions rather than the importance of individual discretion. On the other hand, some degree of individual variation might be tolerable if it could be demonstrated that, across the system, officer discretion results in a more effective matching of awards to needs than could be achieved under a regulated system.

Abuse

The extent of abuse is hotly contested by social fund officers. Some argue that the ‘worst excesses’ of the single payments system were avoided because loans amounted to ‘lending applicants their own money’. On the other hand, some people moving off benefit do default on their loan repayments. Furthermore, it is widely assumed that money received from the social fund is not always spent on the items for which it had been borrowed. Some officers consider this to be abuse of the system, while others believe that it is an inevitable and largely acceptable use of the fund by applicants who must meet real financial demands not covered by the scheme. The survey and in-depth interviews with social fund applicants (Huby and Dix, 1992) provides some insight into the way awards are used.

The effectiveness of loans

Many of the preceding arguments bear on the topic of loans. Some staff believe that they enhance equity, promote personal responsibility and provide a brake on abuse. Others argue that loans create excessive hardship and force low income families into debt. Crisis loans to tide applicants over to their first payment day (alignment cases) attract particularly vehement criticism and are thought to undermine the ‘safety net’ provided by the benefit system.

Welfare advisers and other professionals generally take a pessimistic view of social fund loans. They suggest that certain groups, notably the elderly, would choose to do without rather than go into debt, while others prefer to borrow from money-lenders, who tend to ask fewer questions. Yet others have reached the limit on their borrowing from the social fund and have no option but to seek other forms of help.

Interviews conducted with social fund applicants, and with those who have chosen not to apply to the scheme, provide evidence on the effectiveness of loans as a response to exceptional needs (Huby and Dix, 1992). These interviews also explored the alternative sources of financial assistance which people may have considered or used and examine the financial implications of the need to repay loans from basic benefit income.

8.5 Radical changes

Finally, it is important to recall that the social fund, and social security administration, has undergone substantial changes since this study was undertaken. The changes to the social fund were described in Chapter 1. However, perhaps even more importantly, direct responsibility for administration of the social fund passed from DSS to the Benefits Agency in April 1991. At the same time, the seven DSS regions were reduced to three Territories and the 400 or so local offices were merged into 159 district offices. This entailed combining social fund sections, changing from local office to district budget allocations, and amalgamating office priorities. At the time of writing, the exact impact of such changes on social fund administration is unclear. However, larger teams are likely to present management with new opportunities (for example, the possibility of increased specialisation, say, on money advice) and problems (notably how to ensure the degree of consistency in decision making required for budgetary control).

But this is not the end of the story. Plans exist to reduce dependency on case-papers and to bring the social fund within the operational strategy programme of computerisation. The former is likely to reduce the information available to social fund officers and increase their reliance on application forms. This may mean increased dependency on secondary sources including follow-up letters, visits and specific enquiries to social workers and others. What these changes will not affect, in so far as the social fund remains a scheme to meet the exceptional financial needs of low income families, is the burden of responsibility placed on social fund officers. No matter how much decision making is routinised, officers each day have to grapple with some of the most difficult and contentious issues in modern society. They have, on behalf of society, to decide who is in genuine, exceptional financial need and how, if at all, they can be helped.


Berthoud, R. (1991) "The social fund-is it working?" *Policy Studies*, 12, 1, 4-24.


### Appendix I

**DSS Classification of local offices**

<table>
<thead>
<tr>
<th></th>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Inner conurbation</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Outer conurbation</td>
<td>in outer conurbations and cities with populations in excess of 500,000</td>
</tr>
<tr>
<td>3</td>
<td>City urban</td>
<td>in towns and cities with populations between 50,000 and 500,000 described as 'predominantly urban'</td>
</tr>
<tr>
<td>4</td>
<td>City rural</td>
<td>in towns and cities with populations between 50,000 and 500,000 described as 'predominantly rural'</td>
</tr>
<tr>
<td>5</td>
<td>Medium sized towns</td>
<td>in towns of 20,000 to 50,000</td>
</tr>
<tr>
<td>6</td>
<td>Small towns</td>
<td>towns smaller than 20,000</td>
</tr>
</tbody>
</table>
Appendix 2

Sample priority lists

A: Priorities: Budgeting loans
B: Priorities: Community Care Grants
C: Priorities: Crisis/Budgeting loans
**A: Priorities: Budgeting Loans**

SFOs must consider each application on its merits having particular regard to the individual circumstances of the applicant and the priority of the items requested.

**Loans budget**

*By Purpose Type*

<table>
<thead>
<tr>
<th>HIGH</th>
<th>MEDIUM</th>
<th>LOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Beds</td>
<td>9. Floorcovering-main living areas only</td>
<td>pots, pans, crockery, kettle, iron</td>
</tr>
<tr>
<td>5. Bedding</td>
<td></td>
<td>storage items</td>
</tr>
<tr>
<td></td>
<td></td>
<td>curtains</td>
</tr>
</tbody>
</table>

*By Client Type*

<table>
<thead>
<tr>
<th>HIGH</th>
<th>MEDIUM</th>
<th>LOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Applicants 80 or over</td>
<td>4. Applicants 60-79</td>
<td>6. Trade dispute/non IS recipients</td>
</tr>
<tr>
<td>2. Applicants with disability premium</td>
<td>5. Applicants with children</td>
<td>7. Others, eg single persons</td>
</tr>
<tr>
<td>3. Applicants with children under 3/or health problems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Priorities</td>
<td>Applicant type</td>
<td>Circumstances of the claim</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-----------------------------------------------------</td>
<td>------------------------------------------------</td>
</tr>
<tr>
<td><strong>HIGH PRIORITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To re-establish people in the community</td>
<td>The elderly</td>
<td>HIGH PRIORITY</td>
</tr>
<tr>
<td></td>
<td>Mentally handicapped</td>
<td>To prevent entry into residential care or to re-establish in the community</td>
</tr>
<tr>
<td></td>
<td>Mentally ill</td>
<td>from such care</td>
</tr>
<tr>
<td>To help people remain in the community</td>
<td>Physically handicapped</td>
<td>To assist with travelling expenses:</td>
</tr>
<tr>
<td></td>
<td>Chronically ill</td>
<td>i. to visit patients in hospital and</td>
</tr>
<tr>
<td></td>
<td>Alcohol and drug abusers</td>
<td>ii. to visit critically ill relatives</td>
</tr>
<tr>
<td>To assist with travelling expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MEDIUM PRIORITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Families under exceptional stress</td>
<td>Ex-offender requiring resettlement</td>
<td>MEDIUM PRIORITY</td>
</tr>
<tr>
<td>To assist with travelling expenses</td>
<td>People without a settled way of life</td>
<td>To ease severe stress caused by:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>i. breakdown of relationship</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ii. reconciliation of a relationship</td>
</tr>
<tr>
<td></td>
<td></td>
<td>iii. high washing costs due to disabled child</td>
</tr>
<tr>
<td></td>
<td></td>
<td>iv. families needing to move house</td>
</tr>
<tr>
<td></td>
<td></td>
<td>v. repair/replacement of items damaged by behavioural problems within the family</td>
</tr>
<tr>
<td></td>
<td></td>
<td>vi. minor structural repair to keep home habitable or for safety of child</td>
</tr>
<tr>
<td></td>
<td></td>
<td>vii. clothing needs due to disability or illness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>viii. the installation of prepayment meters and reconnection charges for fuel</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To assist with travelling expenses:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>i. to attend funerals out of the applicants home area</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ii. to alleviate a domestic crisis</td>
</tr>
<tr>
<td><strong>LOW PRIORITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Families under exceptional stress</td>
<td>With no particular special circumstances</td>
<td>LOW PRIORITY</td>
</tr>
<tr>
<td>To assist with travelling expenses</td>
<td></td>
<td>To ease severe stress caused by short term boarding out prior to adoption of an applicant’s child</td>
</tr>
<tr>
<td></td>
<td></td>
<td>i. to visit a child prior to custody proceedings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ii. when moving home</td>
</tr>
</tbody>
</table>
C: Priorities: Crisis/Budgeting Loans

### Crisis/Budgeting loans

#### Priority matrix

<table>
<thead>
<tr>
<th>Client Groups</th>
<th>ITEMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly people particularly those who have restricted mobility or difficulty performing personal tasks</td>
<td>Crisis loan to avoid serious risk to health 2 3 3 3 3 3 3 4 6 7 8 9 9 10</td>
</tr>
<tr>
<td>Mental handicap or mental illness</td>
<td>Crisis loan to avoid hardship or risk to health safety 2 3 3 3 3 4 6 7 8 9 9 10</td>
</tr>
<tr>
<td>Physically disabled including the sensorily impaired</td>
<td>Essential items of furniture and household equipment 2 3 3 3 3 3 3 4 6 7 8 9 9 10</td>
</tr>
<tr>
<td>Chronically sick including the terminally ill</td>
<td>Removal charge if a move to more suitable accommodation is essential 2 3 3 3 3 4 6 7 8 9 9 10</td>
</tr>
<tr>
<td>Families under stress</td>
<td>Essential repairs and maintenance for owner occupiers 2 3 3 3 3 4 6 7 8 9 9 10</td>
</tr>
<tr>
<td>Young people leaving LA care</td>
<td>Removal charge, if move is not essential 2 3 3 3 3 4 6 7 8 9 9 10</td>
</tr>
<tr>
<td>Drug/alcohol misusers</td>
<td>Non-mains fuel costs, gas oil or bottled gas 2 3 3 3 3 4 6 7 8 9 9 10</td>
</tr>
<tr>
<td>Ex-offenders requiring re-settlement or people without a settled way of life undergoing resettlement</td>
<td>Fee meter installation and reconnection charges 2 3 3 3 3 4 6 7 8 9 9 10</td>
</tr>
<tr>
<td>Any other category of applicant</td>
<td>Rent in advance where accommodation secure and move not essential 2 3 3 3 3 4 6 7 8 9 9 10</td>
</tr>
</tbody>
</table>

A guide only
Appendix 3

Directions I to 4 relating to social fund payments

Directions issued by the secretary of state for social services under sections 32(2) b, 33(10) and 34(8)(a) and (b) of the social security act

General

Needs which may be met by social fund payments

1. The needs which may be met by social fund payments awarded under section 32(2)(b) of the Social Security Act 1986 are those set out in directions 2, 3 and 4 below.

2. A social fund payment may be awarded to assist an eligible person to meet important intermittent expenses (except those excluded by these directions) for which it may be difficult to budget.

3. A social fund payment may be awarded to assist an eligible person to meet expenses (except those excluded by these directions) in an emergency, or as a consequence of a disaster, provided that:
   a. the provision of such assistance is the only means by which serious damage or serious risk to the health or safety of that person, or to a member of his family, may be prevented; or
   b. the expenses are rent in advance to a landlord who is not a local authority and a social fund payment is being awarded under Direction 4(a)(i).

4. A social fund payment may be awarded to promote community care:
   a. by assisting an eligible person with expenses (except those excluded by these directions) where such assistance will:
      i. help that person, or a member of his family, to re-establish himself in the community following a stay in institutional or residential care; or
      ii. help that person, or a member of his family, to remain in the community rather than enter institutional or residential care, or
      iii. ease exceptional pressures on that person and his family; or
   b. by assisting an eligible person, or a member of his family, with expenses of travel within the United Kingdom in order to:
      i. visit someone who is ill; or
      ii. attend a relative's funeral; or
      iii. ease a domestic crisis; or
      iv. visit a child who is with the other parent pending a custody decision; or
      v. move to suitable accommodation.

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