

Factsheet 49

Social Fund, Advances of Benefit and Local Welfare Provision

July 2025

About this factsheet

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

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

Advances of Benefit are loans requiring repayment and include:

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

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

The information in this factsheet is correct for the period June 2025 to May 2026. **The information in this factsheet applies to England and Wales.** Please contact Age Scotland or Age NI for information applicable to these nations. Contact details for any organisation mentioned in this factsheet can be found in the *Useful organisations* section.

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1 What is the Social Fund?

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

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

You qualify by meeting the conditions of entitlement laid down in law for each type of payment. If you are refused a payment, you have a right of appeal against the decision.

1.1 Winter Fuel Payments

Winter Fuel Payments are paid to pensioner households to help with the cost of fuel. From the winter of 2025/26, Winter Fuel Payments are paid to households with at least one person over State Pension age. Where an individual person over State Pension age has taxable income above £35,000, the payment they receive will be recovered by HMRC as tax via PAYE or self-assessment.

You qualify if you have reached State Pension age by the end of the qualifying week.

The qualifying week is 15-21 September 2025. For the winter of 2025/26, you qualify if you were born on or before 21 September 1959.

You do not get a payment if, during the qualifying week, you:

- live in a care home for the whole time from 23 June to 21 September 2025 and you receive Pension Credit, Universal Credit or income-related Employment and Support Allowance (ESA), or
- are a prisoner, or
- have been in hospital for more than 52 weeks, or
- are subject to immigration control.

You must live in England and Wales in the qualifying week to receive a payment.

1.1.1 The amount of Winter Fuel Payment

Your household receives £200 if at least one qualifying person in the household is aged between State Pension age and 79. The payment is £300 if at least one qualifying person is aged 80 or above.

If you qualify and you receive Pension Credit or a working age means-tested benefit such as Universal Credit or income-related ESA, the whole payment will be made to one person in the household who receives the benefit.

If you do not receive a means-tested benefit, and there is more than one qualifying person in your household, the payments will be split as shown in the table below.

Circumstance	Aged between State Pension age and 79 in the qualifying week	Aged 80 or over in the qualifying week
You qualify and live alone (or none of the people you live with qualify)	£200	£300
You qualify and live with someone under 80 who also qualifies	£100	£200
You qualify and live with someone 80 or over who also qualifies	£100	£150
You qualify, live in a care home and do not receive PC or a working age means-tested benefit	£100	£150

For example, for a couple aged 80 and 78, £200 will be paid to the older partner and £100 to the younger partner. If both partners are 80 years old or over, they each receive £150 and if they are both under the age of 80, they receive £100 each.

1.1.2 When and how to claim

Qualifying households should be paid automatically before Christmas. You do not need to make a claim. If you have not received a payment by January 2026, you should contact the Winter Fuel Payment helpline to make a claim.

Action

To make enquiries, call the Winter Fuel Payment helpline on 0800 731 0160 or go to www.gov.uk/winter-fuel-payment/how-to-claim

1.1.3 If your income is over £35,000

If your personal taxable income (gross) is over £35,000 in the tax year April 2025 to March 2026, HMRC will recover the payment you received via PAYE or self-assessment.

If you receive a split payment because you live with at least one other qualifying person, only the payment made to you is recovered. Other people who receive a payment, including your partner if you have one, can keep the payment if their taxable income is £35,000 per year or less.

1.1.4 Winter Fuel Payment opt out

If you would rather not receive the Winter Fuel Payment, you can opt out providing you notify the DWP before the 15 September 2025.

If you opt out and change your mind later, it is possible to make a claim by 31 March 2026. Claim via the Winter Fuel Payment helpline 0800 731 0160 or online at www.gov.uk/winter-fuel-payment/how-to-claim

1.2 Cold Weather Payments

Cold Weather Payments of £25 a week are made during periods of very cold weather. Payments are made when the average temperature in your area has been, or is expected to be, 0°C or below for seven consecutive days.

You are entitled to Cold Weather Payments if you receive PC. If you receive Universal Credit (UC), you must not be employed or self-employed on the day of cold weather, and you have:

- been assessed or are treated as having a limited capability for work, or
- a disabled or severely disabled child element in your UC award, or
- responsibility for a child under 5.

You cannot normally receive a Cold Weather Payment if you are subject to immigration control, or you live in a care home.

Payments should be made automatically so you should not need to make a claim. If you have not received a payment, contact the office that administers your other benefit (e.g. for PC, contact the Pension Service).

Note

For more information in **England**, see factsheet 1, *Help with heating costs*. In **Wales**, see Age Cymru factsheet 1w, *Help with heating costs in Wales*.

1.3 Funeral Expenses Payment

You can get a funeral expenses payment towards the costs of someone else's funeral if:

- you or your partner accept responsibility for the funeral and fall into one of the groups of eligible people to claim
- you or your partner receive a qualifying benefit
- the deceased was ordinarily resident in the UK when they died, and
- you claim within the time limits.

Responsibility for the funeral

If you are the partner of the person who has died, the DWP should accept you have good reason for taking responsibility for the funeral expenses.

If the person who died did not have a partner, you can be considered responsible as a close relative or friend, but you cannot normally get a payment if there are closer relatives or other equally close relatives who are not receiving a qualifying benefit.

Qualifying benefits

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

- Pension Credit
- Universal Credit
- Income Support
- income-based Jobseeker's Allowance
- income-related Employment and Support Allowance
- Housing Benefit

You cannot claim if you are subject to immigration control. The person who died must have been ordinarily resident in the UK and the funeral must take place in the UK (or an EEA state or Switzerland if you are covered by specific legislation).

Continues overleaf

1.3.1 What costs can a Funeral Expenses Payment cover?

A Funeral Expenses Payment covers some costs of a simple funeral including:

- buying a new burial plot and burial fees
- cremation fees, including the medical costs of pacemaker removal
- up to £1,000 for other expenses including funeral director's fees, coffin, religious costs, flowers and transport costs (restricted to £120 if there is a pre-paid funeral plan that does not cover these expenses)
- documentation necessary for the release of the deceased's assets
- reasonable costs of one return journey within the UK for the responsible person to arrange and attend the funeral
- other transportation costs if the body of the person who has died has to be transported more than 50 miles.

See factsheet 27, *Planning for your funeral*, for more information.

1.3.2 Capital and assets

If you apply for a Funeral Expenses Payment, your capital is ignored but the amount awarded is reduced to take into account the following:

- assets of the person who died that are available without a grant of probate or letters of administration (even if used for other purposes)
- payments from an insurance policy, occupational pension scheme, pre-paid funeral plan or similar source, made because the person has died
- a funeral grant paid by the Government for a war disablement pensioner.

If a Funeral Expenses Payment is awarded, it must be repaid if sufficient assets become available from the estate of the person who died, for example after the grant of probate. The estate is money, property and other items owned by the person who died.

A house or personal items left to a widow, widower, or surviving civil partner are not counted as part of the estate. Funeral expenses are a first charge on the estate and have priority over everything else including debts and bequests.

1.3.3 Claims and payments

You can claim from the date of death and up to six months after the date of the funeral. It is important to claim in time because late claims cannot be considered. The date of your claim is very important as you must receive a qualifying benefit on that particular date.

If your partner has died, you may need to make new claims for benefits like PC, UC or Housing Benefit if the claims were previously in their name or because you did not qualify before but you do now. Apply for these benefits before applying for a Funeral Expenses Payment.

If your application is refused because you do not receive a qualifying benefit, you can ask for that decision to be reconsidered once you receive a decision that a qualifying benefit has been awarded, as long as the award is backdated to cover the date you made your Funeral Expenses Payment claim. Otherwise, you must make a new claim within the six-month time limit from the date of the funeral.

Funeral Expenses Payments are usually paid direct to the funeral director unless you have already paid the bill.

Action

Claim by phoning the Bereavement Service on 0800 151 2012 (textphone 0800 731 0464) or by post on the SF200 claim form (available at www.gov.uk/funeral-payments/how-to-claim or at your local Jobcentre Plus office). Contact Age UK or a local advice service if you need help with the application. In Wales, contact Age Cymru Advice.

1.4 Challenging a Social Fund decision

If your application for any of the above is refused, you can ask the DWP to reconsider its decision, known as a mandatory reconsideration. If you disagree with that decision, you can then appeal directly to HM Courts and Tribunals Service.

It is important to challenge a decision or get advice as quickly as possible because there are time limits that generally mean you must act within one month. See factsheet 74, *Challenging welfare benefit decisions*, for more information about reconsiderations and appeals.

2 Benefit loans and advance payments

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

2.1 Budgeting Loans

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

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

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

- Pension Credit (PC)
- Income Support
- income-based Jobseeker's Allowance
- income-related Employment and Support Allowance (ESA).

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

Action

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

2.1.1 Decisions and payments

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

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

2.1.2 Challenging a Budgeting Loan decision

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

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

If you are still unhappy with the DWP decision, request a review through the Independent Case Examiner. The DWP decision letter explains how to do this. Send the review request within 28 days of the date on the latest decision letter. If you make a request outside the 28-day limit, you must also give reasons why it is late.

You cannot review a decision about the repayment terms of your loan. If you are finding it hard to manage the repayments, write to DWP and ask them to reduce the weekly repayments or extend the repayment period. Explain why the current repayment terms are causing you hardship.

2.2 Budgeting Advances (Universal Credit)

If you claim Universal Credit (UC), you can apply for a Budgeting Advance if you are eligible. The amount you can apply for and the eligibility conditions are similar to Budgeting Loans.

The maximum amount payable is based on whether you are single or a couple and whether you are responsible for a child or qualifying young person. An advance is reduced by any capital you or your partner has.

These are interest free and must be repaid within 12 months, although this can be extended by a further three months in exceptional circumstances. It is not possible to claim a further advance until a previous advance has been fully repaid.

2.3 Short-term Advances and Universal Credit advances

If you make a new claim for a benefit, you may be in financial difficulty before receiving your first payment. If so, you may be entitled to an advance payment called a '*short term benefit advance*' or Universal Credit advance payment. An advance may also be available if you experience a change of circumstances that significantly increases the amount of benefit you are entitled to.

Advances are available for DWP means-tested benefits and some non-means tested benefits including Carer's Allowance and State Pension. You must be able to demonstrate you are in financial need. This means there is a serious risk of damage to the health or safety of you or any member of your family.

It is important to provide as much information as possible about your circumstances, including any health problems or disabilities.

If you moved from a legacy benefit like Income-related ESA to UC in the last month, you are automatically treated as being in financial need.

Any advance payment is recovered by reducing subsequent payments of benefit until the advance has been repaid. If you take a UC advance in the first assessment period (calendar month) of your claim, the repayment period should be 24 months. Advances must be paid back within a specified period that is agreed when the advance is awarded. You can ask for an extension to a UC repayment period of three months in exceptional circumstances.

Action

If you need to apply for an advance, contact the office that administers the benefit you have applied for. If you need help, call Age UK Advice to find contact details for a local Age UK. In Wales, contact Age Cymru Advice.

2.4 Challenging a decision

You can ask the DWP to look at its decision again if it refuses your application. You can ask for a revision if you think the DWP has:

- not looked at the right information before making its decision
- misunderstood information you gave in your application
- not followed regulations or guidance.

See factsheet 74, *Challenging welfare benefit decisions*, for more information about challenging a decision. There is no right of appeal if DWP refuse your request or refuse to change its decision, except in relation to repayment deductions.

3 Local Welfare Provision and Discretionary Assistance Fund

In England, Local Welfare Provision schemes are a source of support if you face an unexpected crisis or to help you resettlement or remain in the community. They are administered by local authorities although some authorities no longer have schemes. In Wales, there is a national scheme called the Discretionary Assistance Fund.

Payments from these funds are discretionary, which means you do not have a right to a payment even if you meet the qualifying conditions. If you are unsure whether you can get help and the assistance does not have to be repaid, claim anyway as you have nothing to lose.

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

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

Note

Some payments in England are made as loans. Before applying, make sure you receive all benefits you are entitled to. If you can increase your income by claiming benefits, you can avoid a loan.

Contact Age UK Advice to get a benefit check or use the Age UK benefits calculator. In Wales, contact Age Cymru Advice.

3.1 England

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

- services delivered by the local authority
- services delivered by other organisations for the local authority
- grants
- interest free loans
- Credit Union loans
- large household items, e.g. beds, fridges or cookers supplied directly
- prepayment cards
- vouchers
- payments made directly to a third party, e.g. an energy supplier.

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

Action

Contact your local authority for details of the scheme available in your area and the qualifying conditions.

3.2 Household support fund (England only)

The Household Support Fund is intended to help people most in need, with payments towards the cost of food, water, and energy. You should contact your local authority as schemes are run locally.

3.3 Wales

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

Individual Assistance Payments (IAPs) are awarded to enable you to remain living at home independently or set up a new home.

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

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

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

If you disagree with a decision, you can request an internal review, then an external review can be carried out by Family Fund Business Services. If you are still unhappy, you can complain to the Welsh government. More information is at: <https://gov.wales/discretionary-assistance-fund-daf>

Action

DAF decisions are taken by NEC Software Solutions, appointed by the Welsh Government. A local Age Cymru organisation (contact Age Cymru Advice for details), or a partner organisation may be able to assist with an application. Citizens Advice will contact you after you apply to offer benefits and money advice. You do not need to repay the help you receive from DAF.

4 Help from charities and benevolent funds

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

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

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

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

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

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

- address
- place of birth
- age
- marital status
- family responsibilities
- health problems
- a breakdown of your income and expenditure
- career and work history
- service in armed forces
- membership (past or present) of a trade union
- religion.

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

Useful organisations

Bereavement Service helpline

www.gov.uk/funeral-payments/how-to-claim

Telephone 0800 151 2012

In Welsh language 0800 731 0453

For Bereavement Support Payments and Funeral Expenses Payments.

Citizens Advice

England go to www.citizensadvice.org.uk

Wales go to www.citizensadvice.org.uk/wales

In England telephone 0800 144 8848

In Wales telephone 0800 702 2020

National network of advice centres offering free, confidential, independent advice, face to face or by telephone.

Disability Service Centre

www.gov.uk/disability-benefits-helpline

DWP helpline providing advice or information about any claim for the below disability benefits:

- **Attendance Allowance (AA)**
Telephone 0800 731 0122
- **Disability Living Allowance (DLA)**
If you were born on or before 8 April 1948
Telephone 0800 731 0122
If you were born after 8 April 1948
Telephone 0800 121 4600
- **Personal Independence Payment helpline**
Telephone 0800 121 4433

Discretionary Assistance Fund for Wales (The)

<https://gov.wales/discretionary-assistance-fund-daf>

Email daf.feedback@necsws.com

Telephone 0800 859 5924

To apply for an Individual Assistance Payment (IAP) or Emergency Assistance Payment (EAP) make an online application or contact them to apply by phone or post.

Gov.uk

www.gov.uk

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

Independent Case Examiner

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

Telephone 0800 414 8529

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

Jobcentre Plus

Telephone 0800 169 0310

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

Pension Service (The)

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

Telephone 0800 731 0469

State Pension Forecasting Team 0800 731 0176

Details of state pensions including forecasts and claiming your pension.

Turn2us

www.turn2us.org.uk

Telephone 0808 802 2000

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

Welsh Government

www.gov.wales

Telephone 0300 060 4400

Winter Fuel Payment Helpline

www.gov.uk/winter-fuel-payment

Telephone 0800 731 0160

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

Age UK

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

Age UK Advice

www.ageuk.org.uk

0800 169 65 65

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

In Wales contact

Age Cymru Advice

www.agecymru.wales

0300 303 4498

In Northern Ireland contact

Age NI

www.ageni.org

0808 808 7575

In Scotland contact

Age Scotland

www.agescotland.org.uk

0800 124 4222

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