



The Good Trust Fund Guide

Michael Egan returns with more guidance for advisers in applying for help to trust funds and charitable grants.

The cost of living has increased and, with the benefits cap and the introduction of the under-occupation charge amongst other welfare reforms, more people have to survive on less money.

When life's emergencies happen such as an essential household item breaking down, people may turn to payday loans and other high interest lenders to budget for things they otherwise cannot afford.

“Charitable grants are an effective tool advisers can use to assist clients and their use has become more prevalent.”

Charitable grants are an effective tool advisers can use to assist clients and their use has become more prevalent since the cessation of the Community Care Grant and Crisis Loan from the Social Fund. Grants offer a better alternative than budgeting loans or catalogue debts as it is free to apply and they do not have to be paid back.

BACKGROUND

In 2011, St. Helens Citizens Advice Bureau received funding from the British Gas Energy Trust to establish a fuel debt advice project. We specialise in helping clients

complete applications to the Trust for free grants to clear their debts and to purchase essential household items. As charitable trusts became our niche area we researched the other trusts available because many clients were coming to us requesting grants that were not provided by the British Gas Energy Trust.

In some instances clients had a need for several household items and the British Gas Energy Trust limits household items to one per application. If a client has already received a grant from the British Gas Energy Trust they are not eligible to reapply for two years. It became clear to us very quickly that we needed alternate sources of funding which weren't going to put clients into further debt.

Clearing debts

The British Gas Energy Trust, EDF Energy Trust and Npower Energy Fund all provide free grants to clear gas and electric arrears which can make a clients energy more affordable and also provide them with the opportunity to switch to a cheaper supplier

if they wish to do so.

At present you can be blocked from switching supplier if you owe more than £500 and if you are in arrears your energy supplier will demand higher repayments from you to clear the debt. Prepayment meters may also be installed to recover the debt and this can lead to self-disconnection if a client cannot afford to top up the meter.

Grants to clear funeral expenses are also covered by the British Gas Energy Trust. We see a huge demand for help paying funeral expenses because the Funeral Grant from the Social Fund rarely covers the full cost of the funeral and many people are not in receipt of a qualifying benefit and so are not eligible for a Funeral Grant.

Bankruptcy and Debt Relief Order deposits are also available through the British Gas Energy Trust however, due to the high demand for grants, they are only likely to be awarded to those who have experienced significant hardship or have long term health problems.

Further information is available on the websites and applications

MONEY ADVICE



can be made online as well as by post:

- www.britishgasenergytrust.org.uk
- www.edfenergytrust.org.uk
- www.npowerenergyfund.com

Avoiding debt

Clients moving into unfurnished accommodation often have a need for a cooker, fridge-freezer and washing machine and if they are not in a position financially to purchase them, charitable trusts are a real lifeline. The British Gas Energy Trust, Al-Mizan Charitable Trust and Glasspool Charity Trust are among many that provide free grants for white goods. See www.almizantrust.org.uk and glasspool.org.uk

One common query we used to receive from clients was where they could get help for funding bonds or deposits for rented accommodation. For a long time we were unaware that help with this could be provided until we discovered the Vicar's Relief Fund. This provides grants up to a maximum of £250 to help people secure a tenancy and they also cover rent arrears, essential household items and Debt Relief Order deposits. It only takes two to three working days for applications to be processed so they are ideal for emergency situations. See www.stmartin-in-the-fields.org/charity/vicars-relief-fund

Income maximisation

Some Charitable Trusts can help to maximise a client's income if the benefits they are receiving do not cover their weekly expenditure. The rise in food banks across the UK is testament to the failings of

the welfare state in providing people with an adequate level of income to live on.

The Society for the Assistances of Ladies in Reduced Circumstances help single women living alone and for several of my clients they have agreed to pay the TV Licence, telephone line rental and under-occupation charge. Further information on the criteria for applying and how to apply can be found at www.salrc.org.uk

The National Benevolent Charity also offers regular payments to supplement meagre incomes and provides one off grants for purchasing essential household items. See www.thenbc.org.uk

Trades and professions

Some charitable trusts are specific to people who have worked for particular trades and professions in the past. For example, SSAFA and the Royal British Legion provide financial assistance to those who have served in the armed forces. See www.ssafa.org.uk and www.britishlegion.org.uk

The Retail Trust helps those who have worked in retail and Grocery Aid serves those who have worked in the food provision industries. See www.retailtrust.org.uk and www.groceryaid.org.uk

FINDING CHARITABLE TRUSTS

There are literally hundreds of charitable trusts across the UK so I highly recommend reading the Directory of Social Change publication 'A Guide to Grants for Individuals in Need' which has a breakdown of the trusts available by region, trade and profession and illness/disability.

As mentioned earlier, many charitable trusts are specific to

people who have worked in certain trades or professions. For example, there is BEN, the motor mechanics charity. I always take the time to explore a client's employment history and will then scan the contents page of the DSC book to identify whether there are any trusts applicable to them. A free resource is www.turn2us.org.uk which has a comprehensive grants database.

Many water companies across the UK have their own charitable trusts which provide free grants to clear water arrears and some also help with household items and bankruptcy deposits. Auriga Services publishes a free guide on their website which covers the main schemes run by water and energy companies across the UK. See www.aurigaservices.co.uk/wp-content/uploads/2012/12/Auriga-Schemes.pdf

BENEFITS OF USING CHARITABLE TRUSTS

Some charitable trusts invite applications for funding from organisations. If your organisation is routinely helping clients apply to charitable trusts, not only will it increase your organisations prospects of funding, it will improve the reputation and credibility of your organisation because you are going the extra mile for clients and providing tangible results for them. This can also benefit the local economy as in some instances local businesses will benefit from grants.

We have secured over £50,000 in grants to pay outstanding funeral expenses for one local firm of funeral directors and all boiler replacements awarded through the British Gas Energy Trust, have been

"Some charitable trusts are specific to people who have worked for particular trades and professions."



installed by local plumbing companies.

I have created a 'Good Trust Fund Guide' which is a free guide to the charitable trusts available nationally and which provide free grants to individuals in need. I have selected the Trusts that are not specific to certain regions or trades and professions therefore they are more relevant to a wider demographic. In addition, I have created a best practice guide to applying to the British Gas Energy Trust and much of the advice contained within it is relevant to the application forms of other charitable trusts.

Anyone who would like a free copy of either guide can email michael.egan@sthelenscab.org.uk

Michael Egan is a Money Advice Worker with St. Helens Citizens Advice Bureau.

INSOLVENCY

The full year's amount of non-domestic rates is a contingent liability under a CVA and a provable debt

Kaye v South Oxfordshire District Council & Another

On 12th March 2013 the council, South Oxfordshire District Council, had issued the company with a bill for non domestic rates for the period 1st April 2013 to 31st March 2014 and confirmation that the sum due could be paid by instalments.

Because of a recent fire at the company's business, the company had entered into a Company Voluntary Arrangement (CVA).

When responding to the Insolvency Practitioner under the CVA to prove their debt the local authority claimed only a proportion of the year's debt rather than the full year owed. Mr David Kaye, the CVA Supervisor challenged the local authority questioning how the sum had been calculated and stating that the claim should be for the full year's business rates because full year's rates had become due on 1st April 2013,

The local authority argued that the ratepayer was entitled to pay the bill by ten instalments and that at the date of the CVA the instalment option was still in operation and only those instalments due at the date of the CVA were provable.

The High Court confirmed that the correct position was that the entire annual amount for the year was a contingent liability. The Judge suggested that this would also apply to Council Tax liability and would be applicable to other

insolvency procedures such as DROs and bankruptcy.

Editor's note: Section 40.101 of the Technical Manual has recently amended in the light of the High Court decision in *Kaye v South Oxfordshire District Council* <http://www.bailii.org/ew/cases/EW/HC/Ch/2013/4165.html> and now reads as follows: "For the purposes of bankruptcy from 1 April the assumptions upon which the demand notice is based create a contingent liability and the whole of the (unpaid) amount for the year in which the bankruptcy order is made will be provable debt in the bankruptcy. This applies whether or not the bankrupt is in arrears at the date of the order." The insolvency service are currently seeking legal advice on how this will affect council tax and DROs.

SOURCE: [2013] EWHC 4165 Ch

PRACTICE AND PROCEDURE

The Valuation Tribunal may consider the full merits of the case for the purposes of Council Tax discretionary reduction under section 13A of the Local Government Finance Act 1992

S.C. (Appellant) v East Riding of Yorkshire Council and C.W. v East Riding of Yorkshire Council

Valuation Tribunal of England.

Black Lion House, London

The appellants had both applied for discretionary reductions under section 13A of the Local Government Finance Act 1992 and been refused.

In the case of Mr and Mrs W, an unemployed couple with no savings and multiple debts, there