

# The National Association of Funeral Directors

## The Social Fund Funeral Payment

The National Association of Funeral Directors represents more than 4,000 UK funeral homes from small, independent and often family run firms to the largest corporate groups and cooperatives.

For more than a decade the NAFD has campaigned for a review of the Social Fund Funeral Payment (SFFP), a bereavement benefit designed to support the 10-12% of bereaved people in the UK for whom any unexpected expenditure in life, including an unplanned funeral, is simply beyond their means.

***The Social Fund Funeral Payment is failing bereaved families and the funeral directors who care for them***

The Social Fund Funeral Payment, launched in 1987, is outdated, overly complex to apply for and no longer fit for purpose.

- Less than half of those people who apply for it every year are successful and the total number of successful claimants dropped by 12% in 2015.
- The total amount spent by the Government in supporting bereaved families through the SFFP dropped by 10% to just over £40 million in 2015

Given that, according to the House of Commons library, funeral payments from the Social Fund peaked at over £90 million a year in 1993-94 and 1994-95 this means the SFFP has shrunk to less than half the figure paid out a quarter of a century ago and is now a similar figure to the fund's original 1897 budget – a devastating cut back in real terms.

Even where a claim is successful the benefit is inadequate. The 'funeral expenses' element of the benefit has remained a pitiful £700 for thirteen years and has to cover almost everything relating to the funeral including collection and care of the deceased, the coffin, flowers, celebrant or minister's fees, the arranging and paperwork related to the funeral service and carrying the funeral out on the day. A payment at this level is too small to be of any real assistance to the bereaved people who need it and offers no compensation to the funeral directors who end up providing their support, services and facilities at significant risk of not being paid.

However, at the same time, the Government continues to pay local councils in full for their burial and cremation fees. In fact, last year the Government spent more paying local councils for burial plots and cremations than it did supporting those bereaved families whose loved ones would be using them.

The current application system grinds painfully slowly with funerals almost always taking place before families know if their application is successful. This means families have to make decisions about the funeral without knowing what financial support will be available to them and by the time they know, it is too late. It also leaves funeral directors carrying considerable financial risk. More than 90% of our members are small independent businesses and in plugging the growing gaps in government support for the poor they are increasingly taking on unsustainable levels of debt as a result.



There is also no evidence that the introduction of Budgeting Loans in 2012 has been of any assistance to those people making a claim from the Social Fund and this should not be claimed by Government as a proven additional form of support. The NAFD has not been able to find any evidence of successful applications for Budgeting Loans in relation to funerals as the Claimants have generally been through a difficult period prior to the death and being in receipt of benefits have normally already obtained the maximum budgeting loan of £1,500.00.

The NAFD is campaigning for four steps to fairness

To address the inadequacies of the SFFP, the NAFD would like to see the Government commit to four simple steps to fairness:

1. A long overdue increase in the £700 cap on “other funeral expenses” which has been in place since 2003 and covers almost everything relating to the funeral including the coffin, hearse flowers and the services of the funeral director in making all of the arrangements. Since 2003 the £700 has also had to cover the Minister or Celebrant’s fee, which alone costs £200.
2. A system that works better for bereaved families including a shorter and less complex application system, with eligibility confirmed prior to the family entering into a contract with the funeral director which would speed up decision making, something that is key to ensuring the funeral can proceed without undue delay and distress to the family, which is so often the case at present and provides certainty to both parties that a claim will be paid.
3. Parity. Continuing to pay local authorities in full for burial plots and cremation fees whilst maintaining the funeral expenses payment at 1983 levels is unworkable and unfair. Allowing local authorities to be paid in full – despite often large annual increases – is a major issue skewing the Social Fund’s ability to be effective.
4. Better signposting of bereavement benefits to vulnerable families by Social Services and other government bodies. The NAFD is concerned that not all eligible families are being made aware of the Social Fund funeral payment by Social Services.

NAFD members see at firsthand the impact that the current inadequate Social Fund funeral payment causes families. Although the responsibility for delivering much of the solution lies with Government the NAFD and funeral profession is committed to playing a full and active part in creating a better outcome for bereaved families too, by supporting the DWP in creating a nationwide framework for a simple, respectful funeral that does not seek to prescribe how any family, culture or community should say farewell to someone that has died.

A one-funeral-fits-all approach is not appropriate for bereaved families

It is this aspect of the benefit that represents perhaps the greatest challenge. The NAFD was pleased to hear that the Government agrees there are inherent cultural, religious and regional difficulties in creating a one-farewell-fits-all ‘standard funeral package’ and that families deserve to have more freedom of choice.

Recent research by YouGov for the NAFD and Cruse Bereavement Care\* identified that by far the most important priorities for Britons when it comes to organising a funeral are following the wishes of and making it special to the person that has died and making sure everyone that wants to be there can attend. Cost was found to be the seventh most important priority for Britons, backing up the Government’s finding that, actually, people don’t necessarily want a basic funeral for their loved one, even if their



financial means are limited or non-existent, they want to give their loved one what they consider to be a 'good send-off'.

Equally, a 'one-farewell-fits-all' approach would be based around the typical funeral of the majority of claimants and therefore is unlikely to adequately provide for those with other beliefs or needs. The NAFD would prefer instead to look at the underlying principles behind what can be offered by Government, to support those in genuine need who find themselves having to unexpectedly arrange a funeral for a loved one.

The Association welcomes recent government attention on the SFFP and ministerial commitment to address funeral affordability for the poorest in society and hopes this will be matched by the necessary government resources and political will to drive through long-overdue changes to this important, but outdated benefit.

