

THE CAXTON FOUNDATION DISCUSSION PAPER

PROPOSED WELFARE STRATEGY

1.0 Introduction

1.1 The Board of Trustees will, as part of their remit, have to consider a strategic approach to dispensing relief to the Caxton Foundation's (CF) beneficiary cohort. The beneficiary cohort will comprise two distinct classes of beneficiary, those infected and the non-infected.

This paper does not seek to suggest the range of policies that are available to the CF as a disbursement charity; it merely seeks to lay the groundwork for the development of policies taking into account the constraints that will govern the development of those policies.

All financial disbursements by the Caxton Foundation will be discretionary. Discretion will be interpreted by the Trustees and will be part of the general debate surrounding the development of policies. Discretion is only fettered by the objectives of the Trust Deed and the requirement to establish "need". This mantra will be repeated from time to time in this discussion paper.

The need to meet the ministerial objective of a "read across" capability compare and contrast policies and disbursement priorities must be borne in mind. There will be timely reference to current MFT practices which might prove useful in helping the CF to meet the ministerial objective.

The need for the strategy to be able to accommodate "exceptional circumstances" will become clear as will the need to adopt a degree of consistency, as far as eventual policy is concerned, in the disbursement of financial support

1.2 The CF objectives are set out in the Clause 5 of the Confirmed Trust Deed. For ease of reference, the objectives are as follows:-

5.1 The Objects are to provide financial assistance and other benefits to meet any charitable need of:

5.1.1(i) individuals who have received blood, blood products or tissues from the National Health Service and in consequence have been infected with the hepatitis C virus; and

(ii) an individual who has been so infected by a person in 5.1.1(i);

each of whom has received a Stage 1 Payment other than Excluded Persons (together called "Primary Beneficiaries"); and

5.1.2 the partners, parents, carers, children and dependants of Primary Beneficiaries and the partners, parents, carers, children and dependants of Primary Beneficiaries who have died; and

5.1.3 the partners, parents, carers, children and dependants of any other individuals who died before 29 August 2003 and whose estates have, for the reasons given in Schedule 5, received a payment under the Skipton Fund Agreement (2).

5.2 For the purposes of this clause:

5.2.1 a "partner" is a husband or wife, a widow or widower, a civil partner or a co-habitee of a Primary Beneficiary (including, where applicable, a partner from whom a Primary Beneficiary is or was divorced, separated or has an order for dissolution); and

5.2.2 a "carer" is a relation of a Primary Beneficiary who has provided nursing or similar care on terms otherwise than for full consideration in money or money's worth and in consequence has suffered financially and/or in their health.

5.2.3 "children" includes step-children.

5.3 The Trustees shall have the power, with the consent of the Founder, to add individuals to the class of Primary Beneficiaries and to alter the definition of "Excluded Persons".

The available discretionary powers are, as defined in the Objects Clause, sufficiently wide to meet any of the likely requests for (mainly) financial support that will arise. How the trustees exercise their discretionary powers will depend on the circumstances and means of the individual and whether or not those means and circumstances satisfy the legal requirements in establishing charitable "need" and the provision of relief.

2.0 State Benefits

2.1 Payments to beneficiaries, in particular payments to beneficiaries over a sustained period of time, by the Caxton Foundation will not form part of any assessment to benefit entitlement (From 1 November 2011).. That should not mean that support from the Caxton Foundation is a proxy for the benefits system where such support has, for whatever reason, been withdrawn.

2.2 Charitable relief will, in large part, depend upon the financial circumstances of the individual. Those financial circumstances will mainly be reflected by the household income of the individual potential beneficiary. Where the potential beneficiary is in receipt of means tested benefits such as working and/or child tax credits (if in work) or in receipt of means tested benefits (see Annexe A), all may well be considered income as far as discerning levels of financial relief are concerned.

The MFT does not include Disability Living Allowance; it is not means tested and is available to all subject to qualification.

2.3 The CF should as a matter of course provide a benefits advisory service to assist all classes of beneficiary with benefits advice as and when required. The Macfarlane Trust has, for many years, retained the services of a professional adviser and the CF would be well advised to continue with that service provision.

2.4 For consideration

- To dis-regard non-means tested benefits and take into account core means tested benefits when measuring household income. This to include a notional average value of the means tested benefits that can arise.
- That a policy driven by "means testing" per se should not be adopted. This could only be achieved by individual assessment which would be impractical and unaffordable.
- That the modus operandi of assessing charitable "need" should be gained by means that are as non-intrusive as possible. In line with the "read across" objective, it would seem sensible to have a similar method of assessment, in particular as far as individual financial circumstances are concerned, as those adopted by the Macfarlane Trust. These comprise dedicated census forms, an illustration of which is attached.

3.0 Definition of Poverty/Defining Need/the Public Benefit Test

3.1 There can be no absolute definition of what "poverty" might mean since the problems giving rise to poverty are multi-dimensional and cumulative. It can and will affect individuals and it can and does affect whole communities both on a long or short-term basis.

3.2 Poverty can both create and be created by adverse social conditions such as poor health and nutrition, low achievement in education and other equivalent areas of human development.

3.3 The prevention or relief of poverty cannot just be about giving financial assistance to those who lack money; poverty is a more complex issue that is dependent, inter alia, upon the social and economic circumstances in which it arises. It is therefore right to include in any strategy debate the prevention of poverty with a financial contribution but also the causes (prevention) and the consequences (relief) of poverty.

3.4 Not all who are in financial hardship are necessarily "poor", but it may still be charitable to relieve their financial hardship under the prescription of purposes relating to "the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage".

Illustrations where the Foundation might relieve poverty:

- Grants of money;
- Provision of white and brown goods either by loan or grant. This would include furniture, bedding, clothing, food, fuel heating appliances, washing machines, fridges.
- Payment of services such as decorating, insulation or repairs (but not where the objective is to increase the value of the property prior to a market sale).
- Meals on wheels, outings and entertainment, child-minding, telephone line, rates and utilities.
- Vocational training, the provision of books, the development of literacy and numerical skills in respect of individual development and empowerment.
- Debt counselling, benefits advice.

3.5 The Charity Commission's most commonly used threshold of measuring income poverty is now those on incomes below 60% of the UK median income. The mean weekly gross earnings of a full-time employee at April 2010 was £499.00. The mean national annual income for the period was £22,800 per annum gross with the average Briton paying £4,060 in income tax.

There is no average or mean level of income derived from benefits. It would be reasonable to measure a range of core means tested benefits received as a gross figure (net + £4060) and apply those values as if the individual was in employment.

The question of regional variations might arise. The value and qualification of non-means tested benefits is universal but, where means testing applies, the payment received will be in accordance with the individual's published means which will vary. It is likely that the value of benefits received in London & the South-East will be lower than those, for example, received in Scotland.

The value of means tested benefits as net income will vary considerably according to individual circumstances. It would be necessary to carry out a detailed income assessment to establish the full value of the level of income derived from benefits. The MFT practice is to apply a reasonable (not punitive) average of the core value of means tested income benefit and in 2011/12 that is in the region of £7,500 (net) or > 55%. . Taking into account the mean income tax payment of £4,060 and applying a concomitant value of 55% of £2,233 the notional gross income derived from benefits is £9,733 or £3,947 below the 60% threshold.

(NB: It is estimated that if an individual who was claiming all non means tested and means tested benefits that he/she was entitled to, the individual would have to be in equivalent paid employment earning in the region of £40,000 per annum).

Incomes will similarly vary. Incomes are likely to be higher in London & the South-East thus reducing the likelihood of charitable relief.

{Non-discretionary Payments from the Skipton Fund are universal in value across the country}.

60% of the annual national median income is £13,680 gross. .

3.6 The definition of "poor" in the OED is "of a person or people, having few or no material possessions; lacking the means to procure the comforts or necessities of life or to live at a standard considered comfortable or normal in society; needy, necessitous, indigent, destitute".

The Charity Commission in CC4 "Relief of Financial Hardship" say a person does not have to be destitute to qualify as "poor". Nor do people necessarily have to be "poor" over a long period of time to qualify; an individual suffering temporary period of financial hardship due to a sudden and unforeseen change in circumstances (for example, accidental death in the family) might also be eligible for assistance. The Commission share the OED view that "anyone who does not have access to the normal things of life which most people take for granted would probably qualify for help".

(Chief Executive's Note: Trustees will note the number of caveats that accompany the Commission's interpretation of "poor" and who would "probably" qualify for help; one individual's interpretation of "not having access to the normal things of life" will not always accord with those of another individual even when both are in similar financial or socially deprived circumstances.

3.7 It would be reasonable to suggest that the CF regard the infected beneficiary cohort as "poor" because of their HepC infection, in particular when undergoing treatment and the non-infected cohort as similarly "poor" because of their affection, specifically in terms of the family dynamics arising by way of HepC infection. Are those individuals able to enjoy a standard of living that could be considered "comfortable or normal".

The Commission's definition of "poverty" at 60% of the median income does not include a premium for living with HepC or haemophilia. It will be a matter for debate as to whether or not a premium, for the additional costs of living with HepC, in particular when ill, is added to the income level where the Commission say "need" will arise. . . .

Public Benefit Test

3.8 The CF would contend that it meets the public benefit test where its potential beneficiary class is a sufficient section of the general public in respect of the public benefit test criteria.

4.0 Conclusion

4.1 This paper seeks to start a debate as to the direction of support the Trustees might wish to take.

4.2 The illustrations of "relief" at 3.4 are not exhaustive.

4.3 The Welfare Team can give illustrations of current practice. To assist the debate, a note of the devolved support policy and range of support needs (adopted by the Macfarlane Trust) is attached.

Annexe A

Suggested Core Illustrative Benefits Receivable

IS = Income Support

JSA = Job Seekers Allowance

ESA = Employment & Support Allowance

AP = Assessment Phase

MP = Main Phase

HB = Housing Benefit

CT = Council Tax Benefit

IB = Incapacity Benefit

Benefit	Under 25	25+	Lone Parent under 18	Lone Parent over 18	Couple both over 18	Pensioner
IS & JSA	53.45	67.50	53.45	67.50	105.95	
ESA	53.45 AP 67.59 MP	67.50 AP 67.50 MP	53.55 AP 67.50 MP	67.50 AP 67.50 MP	105.96 AP & MP	
HBCT	53.45 67.50 MP ESA	67.50	53.45	67.50	80.75 105.95 On MP ESA	137.35 to 236.80
IB						
Short Term LR Adult Dependent	71.10 42.65	71.10 42.65	71.10 42.65	71.10 42.65	71.10 42.65	
Short Term HR Adult Dependent	84.15 42.65	84.15 42.65	84.15 42.65	84.15 42.65	84.15 42.65	
Long Term Rate Adult Dependent	94.25 54.75	94.25 54.75	94.25 54.75	94.25 54.75	94.25 54.75	
Age addition under 35	13.80	13.80	13.80	13.80	13.80	
Age addition 35-44	5.60	5.60	5.60	5.60	5.60	

DLA = To be disregarded

Working Tax Credit – Subject to individual enquiry. There are 10 payment stages

Child Tax Credit – Subject to individual enquiry. There are 4 payment stages.